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November 26, 2019

Mr. Grant Cummings, Section Chief
Long Term Care Rate Setting Section
Bureau of Rate Setting
Division Medicaid Services
1 West Wilson Street
Madison, WI 53701-0309

Re: CY 2020 Family Care Partnership / PACE Capitation Rate Report

Dear Grant:

Thank you for the opportunity to assist the Wisconsin Department of Health Services (DHS) with this important project. Our report summarizes the development of the CY 2020 capitation rates for Wisconsin's Family Care Partnership program and the primary component of the amount that would otherwise have been paid (AWOP) rate for the Program of All-Inclusive Care for the Elderly (PACE). The final PACE capitation rate will be lower than the AWOP rate calculated and addressed in a separate document.



Sincerely,

Michael C. Cook, FSA, MAAA
Principal and Consulting Actuary

James Johnson, FSA, MAAA
Consulting Actuary

MCC/JJ/bl

Attachment

cc: Benjamin Nerad, DHS
Sonya Sidky, DHS
Elizabeth Doyle, DHS
Constanza Liborio, DHS
Lindsey Beers, Milliman

MILLIMAN REPORT

State of Wisconsin

Department of Health Services Calendar Year 2020 Capitation Rate Development Family Care Partnership / PACE Program

November 26, 2019

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CY 2020 Capitation Rate Development for Family Care Partnership / PACE Program

November 26, 2019

This report assumes that the reader is familiar with the State of Wisconsin's Medicaid program, its benefits, and rate setting principles. The report was prepared solely to provide assistance to DHS to set CY 2020 capitation rates for the Family Care Partnership / PACE program. It may not be appropriate for other purposes. Milliman does not intend to benefit, and assumes no duty or liability to, other parties who receive this work. This material should only be reviewed in its entirety.

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I. EXECUTIVE SUMMARY

This report documents the development of the January 2020 to December 2020 (CY 2020) capitation rates for Wisconsin's Family Care Partnership program and the primary component of the amount that would otherwise have been paid (AWOP) rate for the Program of All-Inclusive Care for the Elderly (PACE) program. The final PACE capitation rate will be lower than the AWOP rate, which will be calculated by making adjustments to the projected expenditures in this report, and will be addressed in a separate document. The Wisconsin Department of Health Services (DHS) retained Milliman to calculate, document, and certify its capitation rate development. The capitation rates developed in this report reflect only the Medicaid liability, and exclude Medicare liability for Dual Eligible members. We developed the capitation rates using the methodology described in this report.

Our role is to certify that the CY 2020 Family Care Partnership capitation rates produced by the rating methodology are actuarially sound to comply with Centers for Medicare and Medicaid Services (CMS) regulations. We developed actuarially sound capitation rates using published guidance from the American Academy of Actuaries (AAA), CMS, and federal regulations to ensure compliance with generally accepted actuarial practices and regulatory requirements. Specific Actuarial Standards of Practice (ASOPs) we considered include:

- ASOP No. 1 – Introductory Actuarial Standard of Practice
- ASOP No. 5 – Incurred Health and Disability Claims
- ASOP No. 12 – Risk Classification
- ASOP No. 23 – Data Quality
- ASOP No. 25 – Credibility Procedures
- ASOP No. 41 – Actuarial Communications
- ASOP No. 42 – Health and Disability Actuarial Assets and Liabilities Other Than Liabilities for Incurred Claims
- ASOP No. 45 – The Use of Health Status Based Risk Adjustment Methodologies
- ASOP No. 49 – Medicaid Managed Care Capitation Rate Development and Certification

CY 2020 CAPITATION RATES

This report includes the development of the long-term care (LTC) and acute care services Managed Care Equivalent (MCE) rates and any additional policy adjustments made to the MCE that are known and quantifiable at this time. We use the term "Managed Care Equivalent" to mean the projected CY 2020 LTC and acute and primary service and administrative costs prior to removing the High Cost Risk Pool (HCRP) withhold and prior to adding targeted margin loads or program changes implemented since the base period.

The statewide average capitation rate for CY 2020 is \$3,891.12 for the Family Care Partnership / PACE population before removing the pooled claims amount. The statewide average CY 2020 MCE rate is \$3,845.26. The capitation rates add targeted margin and the market variability adjustment to the MCE rates. Table 1 shows the statewide rate change from the CY 2019 MCE to the CY 2020 MCE.

CY 2019 Rates	\$3,650.74
CY 2020 Rates	\$3,845.26
% Change	+5.3%

The 5.3% increase in MCE rates from CY 2019 to CY 2020 can be broken down as follows:

- 2.1% increase due to the difference between actual CY 2018 LTC costs and the CY 2018 LTC costs predicted as part of CY 2019 rate development, adjusted to match the Family Care Partnership / PACE average acuity level. This includes the difference in the underlying target group distribution between CY 2017 and CY 2018.
- 8.1% increase due to the inclusion of the Family Care Partnership experience adjustment applied to recognize cost differences in FCP relative to the Family Care costs used as the base data for the LTC component of the MCE rate. The FCP experience adjustment is offset by the removal of the Partnership Add-on included in CY 2019 rate development.

- 1.0% decrease due to the inclusion of experience for additional Family Care GSRs in the base period experience relative to the GSRs included in Family Care Partnership / PACE.
- 0.6% decrease due to differences in one-year cost and acuity trend values applied to move CY 2018 costs to CY 2019 costs in the CY 2020 rate development versus the CY 2019 rate development. Part of this change reflects removing the historical impact of nursing home rate changes from trend, which is more than offset by the explicit nursing facility rate adjustment addressed later in this list.
- 0.4% increase due to the application of service cost trend to project CY 2019 costs to CY 2020.
- 0.5% increase due to the application of acuity trend to project CY 2019 acuity to CY 2020.
- 0.6% increase due to the incorporation of legislated increases in nursing home reimbursement, personal care, and durable medical equipment rates.
- 0.4% increase due to the incorporation of additional reimbursement increases for waiver service providers.
- 5.3% decrease due to the projection of CY 2019 acute and primary service costs. This is primarily driven by the removal of pharmacy costs from MCO financial liability under capitation.
- 0.5% increase due to an increased administrative allowance.

Please note, the sum of the rate change drivers may not equal the total rate change, because the change drivers are calculated as multiplicative factors. The product of “one plus” each change driver equals “one plus” the total rate change.

The change in MCE rates for the DD, PD, and FE target groups is +8.8%, +5.9%, and +3.4%, respectively. The rate change by target group differs from the composite change due to differing base period data changes, the impact of target group automation changes, and target group-specific service cost and acuity trend values.

Projected CY 2020 expenditures split between federal and state liability are included as Appendix B.

METHODOLOGY CHANGES FROM CY 2019 RATES

The CY 2020 capitation rate methodology reflects several changes to the CY 2019 rate methodology. The most significant changes are listed and described below.

Family Care Partnership Experience Adjustment

Family Care Partnership experience is included in the functional status risk model along with Family Care experience for CY 2020 rate development. That model is calibrated to 2018 Family Care base period experience. In order to use the combined model for Family Care Partnership, we adjusted the model to match 2018 Family Care Partnership experience after accounting for differences in target group mix, member acuity and geographic mix. This methodology is discussed in more detail in this report.

Family Care Partnership Pharmacy Carve-Out

Costs for most pharmacy services will be carved out of the Family Care Partnership program for CY 2020. The base data used to develop the acute and primary portion of the capitation rate was adjusted to exclude carved-out pharmacy costs, including carved-out physician administered drugs, which will be reimbursed on a FFS basis beginning in CY 2020.

Experience-Based Geographic Factor Development

Because of the small size of the Family Care Partnership program, the geographic rating factors rely on those developed for the Family Care program. Historically in the Family Care program, there have been several geographic service regions (GSRs) with only one MCO participating. Because of this, geographic factors were not developed from a comparison of historical GSR cost relativities. Taking this approach would have removed much of the incentive for efficient MCO operations since geographic factors would adjust future rates to match the single MCO's performance in

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a particular GSR. Therefore, we previously developed geographic factors solely based on Bureau of Labor Statistics wage information, which is not materially impacted by MCO operations.

Experience from recent years, however, has encouraged us to revisit this approach. First, 13 of the 14 Family Care GSRs now have multiple MCOs participating, which helps to maintain the financial incentive for MCOs to contract with providers and manage care as efficiently as possible. Second, experience from certain GSRs implementing Family Care in recent years has suggested they may not be able to realize the same level of savings relative to the fee-for-service (FFS) waiver environment that other GSRs have historically realized.

Beginning with CY 2020 capitation rates, we develop geographic factors based on MCO claim cost experience, adjusted for differences in the risk profile of the GSR. This methodology is discussed in more detail in this report.

Risk Adjustment Methodology Changes

In CY 2019 Family Care Partnership / PACE capitation rate development we calculated the risk score for each MCO / GSR combination relative to the average risk profile for the Family Care base cohort. This resulted in an average base cohort risk score, which differed from 1.0 to the extent that the risk profile in June 2018 (the cohort with which risk scores were calculated) differed from the risk profile for members underlying the base data. We then use one year of acuity trend to estimate the impact of acuity changes from the June 2018 cohort to the CY 2019 rate period. This process allowed for changes in MCO Long-Term Care Functional Screen (LTCFS) coding practices to impact total program expenditures.

For CY 2020 Family Care Partnership / PACE rate development, we use the June 2019 cohort to calculate the relative acuity differences between MCO / GSR combinations, but the average risk score for the base cohort will be normalized separately, after accounting for differences in relative acuity between Family Care and Family Care Partnership / PACE. We then account for the acuity change projected between the CY 2018 base data period and the CY 2020 rating period by using two years of acuity trend.

Target Group Automation Algorithm Changes

Beginning June 2019, changes were made to the target group automation algorithm derived from the LTCFS administered to program participants at least annually. These changes impact the target group assignment for screens collected on or after June 2019 only. Applying the new logic to historical screens used for base data development results in a portion of members assigned to the DD target group to instead be assigned to the PD or FE target group. This allows the previously-collected functional screens to be consistent with LTCFS changes. Therefore, the base data and the CY 2020 rates are developed on a basis which estimates the impact of target group algorithm changes.

Nursing Home / Personal Care Rate Adjustments

For the CY 2020 capitation rates, DHS included two new rate adjustments: An allowance to increase nursing home reimbursement rates for managed care recipients and an allowance to reflect increases in FFS reimbursement rates for personal care services. These adjustments are discussed in more detail in this report.

Provider Reimbursement Increase

For the CY 2020 capitation rates, DHS included a rate adjustment to increase average provider reimbursement rates for waiver services provided in mature GSRs above the unit cost trend included in rate development. With this rate adjustment is the expectation that certain Family Care Partnership MCOs will implement corresponding provider rate increases effective CY 2020.

Behavioral Health Rate Increase

Effective January 1, 2020 the Medicaid fee schedule for behavioral health services provided by physicians with a specialty of psychiatry increased by 33%, while the Medicaid fee schedule for behavioral health services provided by other providers increased by 6%.

DATA RELIANCE AND IMPORTANT CAVEATS

We used MCO financial reporting, as well as encounter, eligibility, diagnostic, and functional screen data for CY 2017, CY 2018, and June 2019, and other information provided by DHS to develop the Family Care Partnership capitation rates and the primary component of the PACE AWOP rate shown in this report. This data was provided by DHS. We have not audited this data and other information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete. We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

In order to provide the information requested by DHS, we constructed several projection models. Differences between the capitation rates and actual MCO experience will depend on the extent to which future experience conforms to the assumptions made in the capitation rate development calculations. It is certain that actual experience will not conform exactly to the assumptions used. Actual amounts will differ from projected amounts to the extent that actual experience is higher or lower than expected. Any MCO considering participating in Family Care Partnership / PACE should consider their unique circumstances before deciding to contract under these rates.

Milliman prepared this report for the specific purpose of developing CY 2020 Family Care Partnership capitation rates and the primary component of the PACE AWOP rate. This report should not be used for any other purpose. This report has been prepared solely for the internal business use of, and is only to be relied upon by, the management of DHS. We understand this report may be shared with participating MCOs, CMS, and other interested parties. Milliman does not intend to benefit, or create a legal duty to, any third party recipient of its work. This report should only be reviewed in its entirety.

The results of this report are technical in nature and are dependent upon specific assumptions and methods. No party should rely on these results without a thorough understanding of those assumptions and methods. Such an understanding may require consultation with qualified professionals.

The authors of this report are actuaries for Milliman, members of the American Academy of Actuaries, and meet the Qualification Standards of the Academy to render the actuarial opinion contained herein. To the best of their knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices.

The terms of Milliman's contract with the Wisconsin Department of Health Services effective on January 1, 2015 apply to this report and its use.

II. BACKGROUND

Family Care Partnership and PACE are full-risk, fully-integrated Medicaid-Medicare managed care delivery systems for the full range of LTC and acute and primary care services, which strive to foster people's independence and quality of life. Participating MCOs have contracts with both the State of Wisconsin and with CMS, and receive monthly capitation payments from each entity for dually eligible beneficiaries.

Since 1999, Family Care Partnership has served people ages 18 and older with physical disabilities, people with intellectual / developmental disabilities, and frail elders, with the specific goals of:

- Improving quality of health care and service delivery, while containing costs
- Reducing fragmentation and inefficiency in the existing health care delivery system
- Increasing the ability of people to live in the community and participate in decisions regarding their own health care

PACE is a national model of care delivery for beneficiaries aged 55 and older. While the covered benefit set is identical to Family Care Partnership, the care delivery model is different with a focus on service delivery in day health centers.

Eligibility for Family Care Partnership and PACE is determined through the Wisconsin Long Term Care Functional Screen and detailed decision trees involving individual information about type of disability, activities of daily living, instrumental activities of daily living, and certain other medical diagnoses and health related services. All members in this program meet the Nursing Home Level of Care criteria. Enrollment in Family Care Partnership and PACE is voluntary. The risk adjustment model mechanism helps to adjust rates for any differences in average member acuity over time.

Family Care Partnership operates in 14 Wisconsin counties, which are grouped into seven distinct Geographic Service Regions (GSRs), consistent with the Family Care program definitions, for rate setting and other purposes. PACE operates in Milwaukee County, Waukesha County, and Racine County. MCOs contract with service providers to deliver all State Plan and waiver LTC services, as well as all acute care and primary care services.

III. ACUTE AND PRIMARY SERVICE COST METHODOLOGY OVERVIEW

This section of the report describes the acute and primary service cost portion of the CY 2020 Family Care Partnership / PACE capitation rate methodology.

The methodology used to project the MCO encounter data used in the calculation of the capitation rates can be outlined in the following steps:

1. Extract and summarize CY 2018 MCO encounter base experience data for the Dual Eligible and Medicaid Only populations by target group.
2. Further summarize CY 2018 MCO encounter base experience data by age and gender groupings.
3. Apply IBNR and other adjustments to project CY 2020 services costs.
4. Blend the projected CY 2020 service costs into a MCO / GSR specific projected cost.

Each of the above steps is described in detail below.

STEP 1: EXTRACT AND SUMMARIZE REPRICED ENCOUNTER BASE EXPERIENCE DATA

In this step the MCO encounter experience for CY 2018 is summarized by MCO / GSR and service category for the populations enrolled in the Family Care Partnership program. PACE data is not included in the base period experience.

Exhibits A1 and A2 show the summarized repriced CY 2018 MCO encounter base experience data by target group for the Dual Eligible and Medicaid only populations, respectively.

Please see Appendix A for a map showing the counties included in each GSR.

Base Data

We received detailed MCO encounter claims data from DHS for claims with dates of service between January 2018 and December 2018 with dates of payment through March 2019. This encounter data includes both services for which Medicaid is the primary payer, as well as costs associated with Medicare cost sharing.

We reviewed and summarized the data and compared to plan financial reporting and previous rate reports for accuracy and completeness. We ultimately included a small missing data adjustment as a result of this review as outlined later in this section.

Under the contract between DHS and the MCOs, the MCOs are not ultimately liable for acute and primary service costs, reimbursed up to the FFS fee schedule, for members meeting certain criteria associated with AIDS or ventilator dependency. Therefore, we excluded all base period acute and primary costs for members identified using the same criteria. No costs for these services were reported in excess of the FFS fee schedule.

Costs for most pharmacy services will be carved out of the Family Care Partnership program for CY 2020. The base data used to develop the acute and primary portion of the capitation rate was adjusted to exclude most pharmacy costs, including physician administered drugs, which will be reimbursed on a FFS basis beginning in CY 2020. Pharmacy costs will remain the liability of the PACE plan. We adjust the AWOP developed in this report to account for these pharmacy costs in a separate letter.

It is our understanding that the base experience data complies with requirements of 438.602(i) in that no claims paid by an MCO to a provider outside of the United States are included in the base period data.

The CY 2020 rate methodology relies on CY 2018 MCO encounter data for all MCO / GSR combinations, excluding the PACE population.

Target Group Assignment

The capitation rates rely on a member's classification into one of three target groups: Developmentally Disabled, Physically Disabled, and Frail Elderly. Each Family Care Partnership enrollee is assigned a target group based on information collected using LTCFS, administered to program participants at least annually. The assigned target group is only valid for the period covered by the screen. Therefore, individuals could potentially change target groups at each screening.

Beginning in June 2019, certain updates were made to the target group automation algorithm which resulted in changes to members' target groups. Members previously assigned to the Developmentally Disabled target group were reclassified as either Physically Disabled, or Frail Elderly. To account for this change, members' target groups assigned on screens collected prior to this change were reevaluated based on the updated criteria. The target groups for DD members whose screens would result in a PD or FE target group assignment based on the updated logic were reassigned. The base data shown in Exhibit A1 and Exhibit A2 reflect this target group assignment.

STEP 2: SUMMARIZE CY 2018 MCO ENCOUNTER DATA BY AGE AND GENDER GROUPINGS

In this step we further summarize the base period experience data for both the Dual Eligible and Medicaid Only populations by age and gender category. The age / gender classification is used as a form of risk adjustment for both populations as described in Step 4 below. Because of the small number of Frail Elderly Medicaid Only beneficiaries, we do not project their service costs separately by age and gender.

Exhibit B1 shows the detailed summary of the base experience period data by age and gender groupings for each target group and Medicare eligibility status.

STEP 3: APPLY IBNR AND OTHER ADJUSTMENTS TO PROJECT CY 2020 SERVICE COSTS

In this step we apply an adjustment to the base period costs to account for outstanding service cost liability and to reflect differences between the base period encounter data and the projected CY 2020 Family Care Partnership / PACE program service costs. Each adjustment factor is explained in detail below.

Exhibit B1 shows each adjustment factor by category of service; Exhibit B2 shows the adjusted and trended values for each target group and age / gender breakout for each target group and Medicare eligibility status.

IBNR Adjustment

Because of the small enrollment base and amount of claim runout available to us, we developed a single completion factor of 1.0146 for non-pharmacy claims. All pharmacy claims are assumed to be complete due to the amount of claim runout considered and the quick completion pattern of pharmacy claims.

We used Milliman's *Claim Reserve Estimation Workbook (CREW)* to calculate the completion factor used for the CY 2018 data. *CREW* calculates incurred but not reported (IBNR) reserve estimates using the lag completion method.

The lag method reflects the historical average lag between the time a claim is incurred and the time it is paid. In order to measure this average lag, claims are separated by month of incurral and month of payment. Using this data, historical lag relationships are used to estimate ultimate incurred claims (i.e., total claims for a given incurral month after all claims are paid) for a specific incurral month based on cumulative paid claims for each month.

Service Cost, Utilization, and Acuity Trend from CY 2018 to CY 2020

Trend rates were used to project the CY 2018 baseline cost data beyond the base cost period to the CY 2020 contract period, to reflect changes in provider payment levels, average service utilization and mix, and changes in member acuity. Separate trends were not developed for utilization, unit cost, and acuity. Milliman and DHS reviewed the following information to determine the annual trend rates:

- Historical encounter data experience
- Budgeted provider rate increases
- Known policy changes that may impact utilization patterns
- Industry experience for other comparable Medicaid programs

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We reviewed experience trends for the Family Care Partnership program in recent years as the primary support for trend development. Given the large variances in experience trends for each program, we did not feel comfortable using those trends at the category of service level. Instead, we used an overall trend rate of 5.0% applied to all services, consistent with historical experience for the Family Care Partnership / PACE programs. Please see Appendix C for a summary of historical trends from CY 2016 through CY 2018.

Treatment of IMD Costs

Effective July 5, 2016, federal regulation requires rate development to include special treatment for costs associated with stays in an Institution for Mental Diseases (IMD) for individuals between ages 21 and 64. We identified no IMD stays of over 15 days during CY 2018 for individuals in this age range.

Nine IMD stays of 15 days and under were observed for Medicaid Only individuals in this age range during 2018, totaling approximately \$41,000. CMS requires IMD utilization for these stays to be based on the unit costs for State plan services. To be consistent with this requirement, we applied a 0.73 unit cost adjustment to encounter base period IMD claims based on a comparison of the historical average cost per day for inpatient psychiatric stays and IMD stays for the comparable Medicaid Only population served under the SSI Medicaid managed care program.

DME Rate Adjustment

The 21st Century Cares Act requires that the Medicaid fee-for-service rate for DME services be no higher than the Medicare rate. The reduction in the Medicaid fee schedule is phased in over several years, with the first change effective January 1, 2019. It is expected that MCO reimbursement for DME services is consistent with the Medicaid fee-for-service rate. DHS determined that the reduced DME rates will result in a decrease of approximately \$200,000 to acute and primary service costs, resulting in a decrease of 0.8% of acute and primary costs. An additional adjustment is made to account for DME services allocated to LTC in Section IV of this report.

Behavioral Health Rate Increase

Effective January 1, 2020 the Medicaid fee schedule for behavioral health services provided by physicians with a specialty of psychiatry increased by 33%, while the Medicaid fee schedule for behavioral health services provided by other providers increased by 6%. This results in an increase of 0.1% for outpatient hospital services and 1.0% for other acute and primary services.

Missing Data Adjustment

We developed a missing data adjustment in aggregate across all MCOs for CY 2018 based on a comparison of the total paid amounts in the encounter data and the total MCO liability in the financial data, after applying the IBNR adjustment. This missing data adjustment was based on only experience for acute and primary claims. We combined FFS and sub-capitated claim payments together to develop the missing data adjustments, since the encounter data does not consistently and completely identify FFS versus sub-capitated claims separately. Therefore, the missing data adjustment reflects the impact of missing encounters (including sub-capitated claims), as well as encounters that were submitted, but not accepted by the DHS system edits. The only sub-capitated arrangement is for dental services for one MCO, so the value of subcapitated claims is very small as a percentage of total costs. An adjustment factor of 1.0089 was applied to non-pharmacy service categories in Exhibit B1.

STEP 4: BLEND PROJECTED SERVICE COSTS BY TARGET GROUP

In this step we blend the projected CY 2020 service costs for each target group, Medicare eligibility status, and age gender grouping based on the projected CY 2020 target group membership. Exhibit C shows the projected CY 2020 enrollment distribution while Exhibits D1 to D3 show the blended acute and primary service cost by MCO / GSR for the Dual Eligible, Medicaid Only, and total populations, respectively.

The age / gender and target group breakout is used as a form of risk adjustment for both the Dual Eligible and Medicaid Only population, since the costs can materially differ among these demographic groups.

Effective January 1, 2019, iCare began operations in Family Care Partnership in GSR 3, and as such, had no enrollment during CY 2018. The projected acute and primary cost for iCare in GSR 3 is developed using enrollment distribution by age / gender that reflects all Family Care Partnership enrollees in that GSR.

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IV. LONG-TERM CARE SERVICE COST METHODOLOGY OVERVIEW

This section of the report describes the CY 2020 Family Care Partnership / PACE capitation rate methodology for the Long-Term Care portion of the rate.

The methodology used to calculate the LTC portion of the capitation rates can be outlined in the following steps:

1. Apply an adjustment to the Family Care base costs to account for recent experience in the Family Care Partnership program relative to the Family Care program, after accounting for population differences.
2. Apply adjustments to account for the member acuity level of each MCO / GSR combination and target group using June 2019 screens and the functional status acuity model.
3. Apply adjustments to the risk adjusted costs to project CY 2020 services costs for each MCO / GSR combination and target group.
4. Add HCRP Pooling Charge.
5. Apply Market Variability Adjustment.
6. Blend the projected CY 2020 service costs by target group into a MCO specific projected cost.

Each of the above steps is described in detail below.

STEP 1: APPLY FAMILY CARE PARTNERSHIP EXPERIENCE ADJUSTMENT

In this step, we start with the CY 2018 Family Care Nursing Home Level of Care (NH LOC) experience data PMPM and apply an adjustment to reflect differences in program experience after accounting for differences in demographic mix, geography, and member acuity. This data reflects payments net of any third party liability. These costs are also gross of member cost share / patient liability, as DHS adjusts capitation payments to MCOs for each member to reflect that particular member's cost share (also known as Post Eligibility Treatment of Income). No member supplemental room and board expenses are included in the base data. The data has been restated to reflect the target group assignment changes discussed in Section III of this report.

Table 2 below shows the CY 2018 Family Care NH LOC experience data PMPM net of the High Cost Risk Pool by target group.

Table 2 Wisconsin Department of Health Services Family Care Base Experience Costs PMPM	
Target Group	Cost PMPM
Developmentally Disabled	\$3,709.06
Physically Disabled	\$2,481.18
Frail Elderly	\$2,588.12

We performed a comparison of CY 2018 Family Care Partnership experience to CY 2018 Family Care experience reflected in financial reporting. We reweighted CY 2018 Family Care experience by target group and GSR to match the CY 2018 Family Care Partnership distribution. Family Care began operations in GSR 12 in February 2018 and costs for that region do not yet reflect a mature managed care program, so experience for GSR 12 for both Family Care and Family Care Partnership was excluded from this analysis. PACE program experience was not included in this adjustment.

We applied an acuity adjustment to the experience for each program to account for the acuity of the population served by each program based on the functional status model discussed in Step 2 below. Based on the results of this analysis,

we applied an adjustment factor of 1.1300 to the Family Care base experience. Table 3 below shows the details of this calculation:

Table 3		
Wisconsin Department of Health Services		
Family Care Partnership Experience Adjustment		
(A)	Family Care Service Costs ¹	\$2,851.45
(B)	Family Care Regression Result	\$2,818.81
(C)	Family Care Partnership Service Costs	\$3,127.55
(D)	Family Care Partnership Regression Result	\$2,735.95
[(C) / (D)] / [(A) / (B)] FCP Experience Adjustment		1.1300
<i>¹ Experience reweighted to match the target group and geographic distribution underlying FCP, excluding GSR 12.</i>		

Implicitly included in this adjustment are additional benefits offered under the Family Care Partnership / PACE program, which is mainly comprised of nurse practitioner services. These additional benefits represented approximately 3% of service costs and were included as a separate “Partnership Add-on” in the CY 2019 capitation rates.

STEP 2: APPLY RISK ADJUSTMENT RELATIVITIES FOR EACH MCO / GSR AND TARGET GROUP

We developed functional status models for each target group of NH LOC individuals enrolled in Family Care and Family Care Partnership. These functional status models are used to model the CY 2018 LTC service cost for a population based on their LTCFS. The development of these models is described in the CY 2020 Family Care rate report dated November 26, 2019. These functional status models are shown in Exhibits E1 to E3 for the Developmentally Disabled, Physically Disabled, and Frail Elderly population, respectively.

The functional status regression models are calibrated to the CY 2018 Family Care experience for each target group for the base cohort population. For example, the CY 2018 Family Care experience for the developmentally disabled population adjusted for pooled claims and IBNR liability of \$3,709.06 found in Exhibit B of the Family Care capitation rate report can be matched to the sum of the “Incremental Increase” column in Exhibit C1 of the same report. A similar comparison can be made for each target group.

We do not believe the Family Care Partnership program to be of sufficient size to support its own acuity model. Given the significant similarity of covered populations, benefits, provider reimbursement, and geography between the Family Care and Family Care Partnership populations, we believe an acuity model based on the combined Family Care and Family Care Partnership population is the most appropriate to use for the Family Care Partnership population.

The “Proportion with Variable” statistics shown in Exhibit E represent the proportion of the base cohort target group population identified with each variable used in the regression model. This is identified directly from a review of an individual’s functional screen. It is calculated as “number of individuals with condition” divided by “number of individuals in the target group base cohort.”

The “Statewide Estimate” in Exhibit E represents the estimated incremental dollar cost associated with each variable for the entire target group base data cohort. The values are the result of the multivariable linear regression exercise.

The product of the statewide estimate and the proportion with variable equals the “incremental increase” value. The sum of the incremental increase values equals the total PMPM target group base data cohort cost. For example, the sum of the incremental increase values on Exhibit E1 is \$3,709.06, which is equal to the DD completed base data cost on Exhibit G1 column (A).

We used information contained in the LTCFS for the Family Care Partnership / PACE population enrolled in June 2019 to develop MCO / GSR specific modeled LTC service costs and risk scores. Exhibits F1, F2, and F3 show the proportion of the June 2019 Family Care enrolled population with each variable for the three functional status models used in calculating the MCO / GSR specific risk score. For credibility purposes, each MCO / GSR / target group combination with fewer than 100 members enrolled in June 2019 will use a blend of the MCO-specific regression results and the

regression results for the entire GSR / target group combination. We calculate the credibility-adjusted regression result using the following formulas:

$$\text{Adjusted Regression Result} = \text{Credibility\%} \times \text{MCO/SR/T Risk Score} + (1 - \text{Credibility\%}) \times \text{SR/T Risk Score}$$

$$\text{Credibility\%} = \text{MIN} \left[\sqrt{\frac{\text{June Enrollment}}{100}}, 100\% \right]$$

MCOs with 100 members or more enrolled in a particular GSR and target group in June 2019 are considered fully credible.

The preliminary risk score is calculated as the ratio of the June 2019 risk score for a given MCO / GSR combination and the June 2019 risk score statewide, separately by target group. In order to account for differences in the average acuity level between Family Care and Family Care Partnership, we apply a Family Care Partnership acuity adjustment in Exhibits F1 through F3, calculated as the ratio of the CY 2018 regression result for Family Care Partnership and the CY 2018 regression result for Family Care.

The column labeled “MCO / GSR Specific Risk Adjusted Rate” in Exhibit G1 illustrates the acuity-adjusted service cost for each MCO / GSR combination using the base period regression model (reflecting the CY 2018 utilization and unit cost structure for Family Care and applying the Family Care Partnership experience and acuity adjustments) and the June 2019 Family Care Partnership / PACE population functional screens.

The functional screen risk adjustment mechanism has been developed in accordance with generally accepted actuarial principles and practices.

STEP 3: APPLY ADJUSTMENTS TO RISK ADJUSTED COST TO PROJECT CY 2020 SERVICES COSTS

In this step, we apply adjustment factors to reflect differences between the base period encounter data and the projected CY 2020 Family Care Partnership / PACE program service costs. Each adjustment factor is explained in detail below.

Exhibit G shows adjusted and trended values for each target group and in total.

Service Cost Trend from CY 2018 to CY 2020

Service cost trend rates were used to project the CY 2018 baseline cost data to the CY 2020 contract period, to reflect changes in provider payment levels and changes in average service utilization and mix. This requires application of 24 months of trend from the midpoint of the baseline cost period to the contract period. To assist in developing these trend rate projections, we analyzed monthly Family Care MCO encounter data from CY 2016 through CY 2018 in a number of different ways using data consistent with the Family Care MCO / GSR combinations included in base data development. The trend analysis excludes Family Care Partnership encounter data because of the small size and incompleteness of the encounter data. Given the significant similarity of covered populations, benefits, provider reimbursement, and geography between the Family Care and Family Care Partnership populations, we believe the Family Care trend rates are the most appropriate to use for the Family Care Partnership population. As a result of our trend study, we selected annual PMPM service cost trends of 0.00%, 1.80%, and 0.50% for the DD, PD, and FE target groups, respectively. Appendix D summarizes our analysis.

The trend analysis was completed for monthly PMPM costs on a raw basis and on an acuity-adjusted basis. Since this rate development process applies acuity adjustments separately from service cost trend, we considered the acuity-adjusted trends in rate development. There were no material program changes in the base data time period for which to adjust the data in the trend analysis.

The 2019-21 Wisconsin biennial budget directs DHS to provide a 5.30% rate increase for nursing home per diems for SFY 2019 and an additional 0.40% increase for SFY 2020. These rate increases are included as an explicit adjustment later in this report. The trend development methodology currently includes historical nursing home increases realized between CY 2016 and CY 2018. On average, nursing home reimbursement has increased approximately 1.9% per annum during this time frame. We adjusted the annual PMPM service cost trends to exclude the underlying historical nursing home reimbursement trend, allowing the full difference in projected nursing home reimbursement changes

between CY 2018 and CY 2020 to be included as a separate adjustment. Table 4 below shows the resulting trend adjustment by target group based on the distribution of nursing home claims in the base data.

Table 4 Wisconsin Department of Health Services Adjustment to Remove NH Reimbursement Changes				
Target Group	Starting Annual PMPM Trend	Nursing Home Trend Adjustment		Adjusted Annual PMPM Trend
		% of NH Cost	Trend Adjustment	
Developmentally Disabled	0.00%	3.4%	-0.06%	-0.06%
Physically Disabled	1.80%	12.9%	-0.24%	1.56%
Frail Elderly	0.50%	22.0%	-0.42%	0.08%

Table 5 illustrates the combined pooled and non-pooled service cost trend values implemented for the CY 2020 rate development split between utilization and unit cost trends for each target group. DHS performed an analysis of residential and institutional reimbursement rates over time to develop the unit cost projections. Other services did not realize material unit cost changes. The values are consistent with the historical trend analysis described above. The trends are comparable to trends realized in other Medicaid managed long term care programs, after accounting for member acuity trends.

Table 5 Wisconsin Department of Health Services Annual Trend Rates by Target Group			
Target Group	Annual Utilization Trend	Annual Unit Cost Trend	Annual PMPM Trend
Developmentally Disabled	0.24%	-0.30%	-0.06%
Physically Disabled	1.56%	0.00%	1.56%
Frail Elderly	-0.38%	0.46%	0.08%

The combined pooled and non-pooled service cost trends shown above are further segmented into trend rates for claims above and below the HCRP threshold for the Family Care population. We performed a multiyear analysis of historical levels of claims exceeding the HCRP threshold, which indicate the cost trend for these services is higher than the trend for all costs for two of the three target groups. This is usually the case for any pooled claims mechanisms, such as the HCRP, because of claim leveraging effects. We developed separate trends for costs under and over the HCRP threshold, which together aggregate to the selected trends for all costs.

Table 6 below shows our average annual trends for the amounts exceeding the HCRP threshold and resulting trend rates for the amounts below the HCRP.

Table 6 Wisconsin Department of Health Services Average Annual Trend Rates by Target Group			
Target Group	HCRP Amount Trend	Net PMPM Trend	Total PMPM Trend
Developmentally Disabled	30.0%	-0.72%	-0.06%
Physically Disabled	30.0%	1.32%	1.56%
Frail Elderly	15.0%	0.08%	0.08%

Acuity Adjustment from CY 2018 to CY 2020

In order to develop rates based on expected CY 2020 member acuity levels, we apply two years of projected acuity trend to the CY 2018 adjusted base period experience. As part of the historical trend study, we developed CY 2016 to CY 2018 changes in average acuity for each target population enrolled in the Family Care program. The acuity trend study was performed in conjunction with the service cost trend study, and all data and the methodology utilized were

the same. The results of the acuity trend study are included in Appendix D and Table 7 below. Those same acuity results were used to develop the risk-adjusted service costs underlying the service cost trend development.

Table 7 Wisconsin Department of Health Services Annual Acuity Trend Rates by Target Group	
Target Group	Annual Acuity Trend
Developmentally Disabled	2.00%
Physically Disabled	-0.30%
Frail Elderly	0.20%

Geographic Adjustment

The functional status acuity model does not include a consideration for the difference in service costs associated with providing care in different regions of the state. Therefore, we developed geographic factors based on an analysis of CY 2016, 2017, and 2018 Family Care plan performance relative to the costs projected using the regression model and rate setting assumptions. The results of this analysis are shown in Appendix E. We used the Family Care geographic adjustments for Family Care Partnership because of the small size and variability in recent claim experience for Family Care Partnership.

The methodology to calculate the geographic factors is as follows:

1. We summarize actual experience by MCO / GSR combination using MCO encounter data for each of CY 2016, 2017, and 2018. The following adjustments are made to MCO encounter data, consistent with the treatment in rate development:
 - Services covered outside of the capitation rate are excluded, such as member room and board expenses.
 - Case management expenses, which are historically underreported in the MCO encounter data, are adjusted to match the values reported in the MCO's financial data.
 - An adjustment is made to the reported amounts to reflect our estimate of IBNR claims.
2. We calculate projected costs for each year using the regression model developed for use in that particular rate year (i.e., we use the CY 2016 regression model, built using CY 2013 to 2014 data, to project CY 2016 service costs). Projected costs are trended to match the rate year using the utilization and unit cost trend assumed in rate development. We do not include the acuity trend assumed in rate development because any acuity changes should be reflected in the functional screen data. We make no adjustment to the projected costs for geographical wage differences by GSR. As an exception to this process, for CY 2018 we used the CY 2020 regression model, built using CY 2017 to 2018 data, which excludes certain variables which have demonstrated inconsistent coding practices over time. No utilization or unit cost trend was applied to these results.
3. We review the actual and projected costs for each MCO / GSR combination across all three years to identify any anomalous results that may have a material impact on the final geographic adjustment factors. For this analysis, we excluded all data for GSR 12 and expansion counties in GSRs 1, 4, and 5.
4. The preliminary geographic adjustment factor is calculated as the average of three years of the ratios of actual and projected costs weighted 3/6, 2/6 and 1/6 as the data ages. In this way, the projected costs serve as a form of "risk adjustment" to account for differences in target group, member acuity and other issues between GSRs that are already accounted for in MCO payment and should not be part of the geographic factor calculations. Appendix E shows this calculation for each GSR.
5. As part of capitation rate development, we scale the preliminary geographic factors to maintain budget neutrality relative to the Family Care MCO / GSR combinations used in base data development. This budget neutrality adjustment will be performed separately for each target group. Table 8 below shows the normalization factor applied to the preliminary geographic adjustment factors by target group.

Target Group	Normalization Factor
Developmentally Disabled	1.0032
Physically Disabled	1.0022
Frail Elderly	1.0009

Please note, while the geographic adjustments are designed to be budget-neutral for the Family Care program, they are expected to vary from 1.0 for Family Care Partnership. This is appropriate because the geographic mix in Family Care Partnership varies from that in Family Care.

In order to increase the credibility of this calculation and to limit the maximal market share achieved by a single MCO, the geographic factors for certain GSRs are calculated as the combination of results across several GSRs. These combinations are referred to as “Super Regions” in Appendix E. Expansion counties in GSRs 1 and 4 will receive the same geographic adjustment as Super Region 1, and expansion counties in GSR 5 will receive the same geographic adjustment as Super Region 2.

For GSR 12, we will apply a geographic adjustment factor consistent with the wage index applied in CY 2019 rate development, or 1.047. The CY 2019 factor was normalized to the base data cohort used in CY 2019 rate development. We adjust the CY 2019 value to account for MCO / GSR combinations added to the CY 2020 base data cohort. This requires a decrease of 1.4%, resulting in a geographic adjustment factor for GSR 12 of 1.032.

Nursing Home Rate Adjustment

The 2017-19 Wisconsin biennial budget directs DHS to provide a 2.8% rate increase for nursing home per diems for SFY 2019, and the 2019-21 Wisconsin biennial budget directs DHS to provide a 5.3% rate increase for SFY 2020 and 0.4% rate increase for SFY 2021. These rate increases result in a combined increase of 6.9% between CY 2018 and CY 2020. We applied an adjustment specific to each target group and GSR based on the proportion of service costs for nursing home services in the Family Care base data in CY 2018. Table 9 shows the calculation of this adjustment, which is included in Exhibit G1.

GSR	Percentage of Nursing Home Cost in CY 2018			Adjustment Factor		
	DD	PD	FE	DD	PD	FE
GSR 3	5.4%	10.0%	33.1%	1.0037	1.0069	1.0229
GSR 5	2.6%	8.6%	13.3%	1.0018	1.0060	1.0092
GSR 6	2.6%	13.6%	21.7%	1.0018	1.0094	1.0150
GSR 8 ¹	5.9%	13.5%	26.8%	1.0041	1.0093	1.0185
GSR 10	2.1%	16.6%	13.3%	1.0015	1.0115	1.0092
GSR 11	3.1%	14.4%	14.1%	1.0022	1.0099	1.0097
GSR 12	0.6%	6.2%	8.9%	1.0004	1.0043	1.0062

¹ Includes PACE.

Personal Care Rate Adjustment

The 2017-19 Wisconsin state budget directs DHS to increase fee-for-service personal care rates by 2.0% effective July 2018. DHS is also increasing fee-for-service personal care rates by 14.4% effective January 2020 pursuant to direction in the 2019-21 Wisconsin state budget. Accompanying these rate increases was the expectation that Family Care MCOs would also implement this rate increases effective January 2019 and January 2020. Our review of historical increases to personal care rates from CY 2016 to CY 2018 shows an average increase of 1.0% per annum. This historical increase is implicitly included as part of the service cost trend applied earlier. Therefore, we applied an aggregate adjustment of 14.4% to PCA services, which includes the 2.0% and 14.4% increase, offset by two years of 1.0% trend already included in our trend assumption. Personal care costs represented between 0.20% and 0.76% of

base period costs across the three target groups. Applying these rate increases to these portions of the cost results in adjustments of 0.03%, 0.11%, and 0.03% for the DD, PD, and FE target groups, respectively. This adjustment is made in Exhibit G1.

Provider Reimbursement Increase

For the CY 2020 capitation rates, DHS included a rate adjustment to increase average provider reimbursement rates by 1% for waiver services provided above the unit cost trend included in rate development. With this rate adjustment is the expectation that certain Family Care Partnership / PACE MCOs will implement corresponding provider rate increases effective CY 2020. This increase is being included for all GSRs other than GSR 12.

Waiver services amount to approximately 88%, 70%, and 64% of total NH LOC service costs for the DD, PD, and FE, resulting in increases of 0.9%, 0.7%, and 0.6%.

DME Rate Adjustment

The 21st Century Cares Act requires that the Medicaid fee-for-service rate for DME services be no higher than the Medicare rate. The reduction in the Medicaid fee schedule is phased in over several years, with the first change effective January 1, 2019. It is expected that MCO reimbursement for DME services is consistent with the Medicaid fee-for-service rate. DHS determined that the reduced DME rates will result in a decrease to the projected LTC service costs of 0.06%, 0.22%, and 0.10% for the DD, PD, and FE target groups, respectively.

STEP 4: ADD HCRP POOLING CHARGE

The Family Care Partnership program includes an HCRP for each of the target group populations. The HCRP is targeted to cover 80% of provider service costs above \$225,000 for each individual and excludes case management expenses due to increased administrative burden to include them in this process. The final payout will be calculated separately for the Developmentally Disabled population and for the combined Physically Disabled / Frail Elderly populations. The PACE program is excluded from the HCRP.

The HCRP is budget neutral to the program in total in that all pool funds, and no more, will be returned to the MCOs after the end of the contract period. If the target group high cost pools are insufficient to reimburse 80% of provider services costs in excess of \$225,000 for each individual, each MCO will receive reimbursement proportional to their percentage of qualifying costs until the pool is exhausted. If the target group high cost pools are more than sufficient to reimburse qualifying high costs, the remaining pooled funds will be returned to each MCO proportional to their contract period enrollment.

The CY 2020 Family Care functional status risk model was calibrated to CY 2018 costs net of the HCRP costs removed from the CY 2018 base period data. To project CY 2020 costs gross of the HCRP withhold, Developmentally Disabled, Physically Disabled, and Frail Elderly costs are increased by the amounts shown in Table 10 below. These are based on the same withhold base period values and projection factors utilized in the CY 2020 Family Care acuity model and rate development with the following exceptions:

- The composite geographic adjustment reflects the Family Care Partnership service area
- The phase-in adjustment for expansion GSRs and counties is excluded since it is not applicable to 2020 Family Care Partnership rate development
- The target group acuity for Family Care Partnership replaces the Family Care acuity projections

Table 10		
Wisconsin Department of Health Services		
CY 2020 HCRP Pooled Claims		
Target Group	Percentage of MCE Service Costs	PMPM
Developmentally Disabled	2.72%	\$139.53
Physically Disabled	0.96%	\$33.63
Frail Elderly	0.04%	\$1.41

State of Wisconsin Department of Health Services
CY 2020 Capitation Rate Development for Family Care Partnership / PACE Program

We do not believe the Family Care Partnership program to be of sufficient size to support its own acuity model. In addition, since the Family Care Partnership rate development utilizes a risk model that is net of the HCRP, it is appropriate to use the same HCRP projection data and methodology. For those same reasons, we do not feel comfortable using the Family Care Partnership data to develop the HCRP percentages. Given the significant similarity of covered populations, benefits, provider reimbursement, and geography between the Family Care and Family Care Partnership populations, we believe the Family Care HCRP percentages are the most appropriate to use for the Family Care Partnership population.

The High Cost Risk Pool mechanism has been developed in accordance with generally accepted actuarial principles and practices and is cost neutral to the state in total.

STEP 5: APPLY MARKET VARIABILITY ADJUSTMENT

The level of case management cost savings actually realized for each MCO / GSR combination will vary based on a number of factors including MCO experience and effectiveness, and provider negotiating leverage. In order to incorporate this variability into rate development, we apply reasonable and appropriate market variability adjustments targeted to each MCO based on their business projections for the contract period. The goal of the adjustment is to apply reasonable factors that target contracted capitation rates that better match expected service costs, given the historical MCO service cost performance relative to the acuity model.

The preliminary range of potential market variability factors for CY 2020 is 0.946 to 1.055.

We used the Family Care actual to expected analysis to develop the preliminary range of results for the market variability adjustment. This is appropriate since the Family Care data was used to develop the functional acuity model used for both the Family Care and Family Care Partnership programs. We do not have reason to believe the implicit LTSS service cost variability would be different under Partnership simply because the program also covers acute care costs.

However, we did not use Family Care historical financial results and projected business plans to develop the actual market variability adjustment implemented for the Family Care Partnership program. The Partnership / PACE market variability adjustments were selected as a result of fiscal results and projected business plans specific to the Partnership MCOs.

We developed the range of preliminary factors based on a review of actual CY 2016, CY 2017, and CY 2018 MCO / GSR encounter data service costs relative to costs predicted by the functional acuity model and corresponding member functional screens for those rating years for the Family Care program population. No additional projections or assumptions were required beyond the actual and modeled costs. The results of this analysis are shown in Appendix F.

The width of the preliminary factor range is about +/- 5.5%, which is comparable to many other Medicaid managed care programs where rate ranges have been calculated. No other factors in the 2020 Family Care rate development process include internal ranges.

We excluded MCO / GSRs from the analysis that were not included in the base period cohort (CY 2016, CY 2017, or CY 2018) for rating years CY 2018, CY 2019, and CY 2020, respectively. The total range of results varied from 0.782 to 1.121. We narrowed this range to 0.932 and 1.041 to remove extreme values and account for natural variation that is expected in any at-risk managed care program. Sixty percent of the results fell within this range.

It is not the goal of this adjustment to increase or decrease capitation rates in aggregate, though this may occur depending on the actual factors used in rate development. Starting aggregate service cost projections are always based on the most recent, statewide base period information available, while the market variability adjustment targets MCO-specific performance over time. For that reason, the range of acceptable adjustments considered was changed slightly to be centered on 1.00, consistent with the expectation that this adjustment is not intended to apply system-wide rate changes. This changes the preliminary factor range from 0.932 to 1.041, to 0.946 to 1.055.

Factors Actually Implemented

The market variability adjustments utilized for rate development are the result of an extensive business planning process performed by each MCO and coordinated by DHS. MCOs begin developing their business plans in July before the rate year begins. The MCOs look at their entire financial and program operations. DHS determines what MCOs

need to include in their business plan submission and requests information from the MCOs on all major program changes expected to occur during the rate year. The business plans include assumptions about the following areas, among others:

- Service cost experience and trends
- Membership acuity trends
- Enrollment trends by region, target group, and level of care
- Care management costs
- Staffing costs
- Service cost savings initiatives
- Administrative savings initiatives
- Major IT system conversions the MCO anticipates to undertake during the rate year
- Additional costs related to specific State program changes or policy changes
- Additional costs related to Federal policy changes

DHS and Milliman review assumptions underlying the business plans for reasonability, as well as the relationship between the business plan projection and the market variability adjusted rates for reasonability. From this effort, DHS develops market variability factors that fall within the range of preliminary factors and represent reasonable, appropriate and attainable rates for each MCO. If these factors do not bring the MCO to projected profitability in the contract period, it is because of documented differences in specific business plan assumptions from those we believe are attainable in this rate development. We have reviewed the development of these adjustments.

Exhibit G2 shows that aggregate costs decrease by approximately 1.0% due to the chosen market variability adjustment factors.

STEP 6: BLEND PROJECTED SERVICE COSTS BY TARGET GROUP

In this step we blend the projected CY 2020 MCO / GSR service costs for each target group based on the composite projected CY 2020 target group membership. The blended costs are reflected in the bottom section of Exhibit G2.

V. NON-SERVICE COST ALLOWANCE

This section of the report describes the development of the non-service cost allowance for the CY 2020 Family Care Partnership / PACE capitation rate. Non-service expense loads and resulting MCE and capitation rates are shown in Exhibit H. Exhibit I restates the components of the MCO / GSR capitation rates net of HCRP and withhold.

ADMINISTRATIVE COST ALLOWANCE

DHS worked in collaboration with the MCOs to develop a sustainable approach to determine the administrative funding levels for the NH LOC population enrolled in the Family Care program. DHS developed the administrative funding methodology to address new and expanding MCOs, the size of an MCO's enrolled population, and the determination of program operational costs. DHS and the MCOs formed "small work groups" (SWG) to help assess the type and range of administrative costs. For the CY 2020 rate development MCOs provided updated CY 2018 financial and employee data in the same structure developed by the SWGs, which DHS reviewed and analyzed in order to update the administrative cost model assumptions. As part of the cost model development, financial and employee expense data were trended to 2020 levels using an annual trend rate of 1.65%, consistent with recent CPI trends from BLS.

Findings from the SWGs showed that there are nine primary administrative components that are typically incurred by an MCO that participates in the Family Care program as follows:

- Administrative and Executive
- Compliance
- Human Resources
- Marketing
- Provider Management
- Claims Management
- Fiscal Management
- Information Management
- Quality Management

Within each of these administrative components, the MCOs provided the number of full-time equivalent employees (FTEs), the corresponding expense per FTE, and the administrative expenditures.

MCOs and DHS classified each administrative expenditure category as fixed or variable costs. The sections below provide details on the handling of each type of expenditure in the determination of an allowance for non-benefit expenses.

For the Family Care Partnership / PACE program, an average non-service cost allowance is calculated for the Family Care program, to which a \$42.67 PMPM amount is added to reflect administrative expenses related to the acute and primary portion of the capitation rates. The acute and primary administrative load was developed from historical Family Care Partnership / PACE MCO administrative cost reporting for Medical Management and HMO Licensure Management. These functions are required to serve the acute care needs of members, but are not necessary for delivering only Family Care covered services. 63% of these historical costs were allocated to the Medicaid portion of Family Care Partnership / PACE, consistent with the historical cost relationship between Medicaid and Medicare. These historical costs were then projected to 2020 using the same CPI trends used in the Family Care administrative cost model.

It is worth noting, that the administrative cost model varies the load by the size of the MCO. The enrollment for each of the Family Care Partnership / PACE MCOs is less than 55,000 member months, which is classified as a Small tier MCO. Therefore, the administrative load for all of the MCOs is the same.

Exhibit H shows the application of the administrative cost allowance.

Fixed Cost

The fixed cost portion of the administrative allowance decreases on a PMPM basis as MCOs increase the number of enrolled members. For example, as MCOs continue to expand there is no need to hire an additional CEO, although the demands on the CEO will increase, perhaps leading to the need for higher compensation. Therefore, executive costs

as a percentage of capitation revenue will decrease as MCOs become larger; a similar argument can be applied to the other five fixed cost components, which may increase somewhat with growth in the size of the enrolled population, but not in a direct way. As a result, DHS has structured its approach to assess a reasonable number of personnel to have on staff for each component based on MCO size.

To accommodate the personnel needs of different sized MCOs for their fixed administrative costs, DHS has developed five tiers within each component to account for different staffing expectations. MCOs are assigned a tier based on their projected CY 2020 enrollment. Table 11 below shows the projected member month ranges for each tier. The resulting fixed PMPM costs are calculated for each MCO as the projected number of FTEs, and their corresponding expense, divided by the projected number of member months.

Table 11	
Wisconsin Department of Health Services	
Member Month Range by Administrative Tier	
Tier	Projected Member Months
Small	0 to 54,999
Medium	55,000 to 89,999
Large	90,000 to 129,999
XL	130,000 to 169,999
XXL	170,000 +

DHS used the enrolled members, number of full-time equivalents (FTEs), and expense per FTE as reported by each MCO to assess and determine appropriate assumptions.

Table 12 shows the fixed cost assumptions used to develop the CY 2020 MCE rates.

Table 12								
Wisconsin Department of Health Services								
Detailed Assumptions for Fixed Cost Component of Non-Benefit Allowance								
FTE Assumptions: Fixed Cost Component								
Tier	Admin / Executive	Compliance	HR	Marketing	Provider Mgmt.	IM/IT	Fiscal	Claims Mgmt.
Small	8	1	5	1	13	5	12	4
Medium	10	2	7	1	15	7	14	5
Large	12	2	9	1	17	10	16	6
XL	16	3	11	1	19	13	18	7
XXL	20	3	13	1	21	16	20	8
Total Expense Assumptions: Fixed Cost Component								
Small	\$1,323,624	\$107,714	\$524,158	\$108,087	\$1,168,704	776,171	\$1,462,909	\$306,666
Medium	1,654,530	215,429	733,822	108,087	1,348,504	1,086,639	1,706,727	383,333
Large	1,985,435	215,429	943,485	108,087	1,528,305	1,552,342	1,950,545	459,999
XL	2,647,247	323,143	1,153,148	108,087	1,708,105	2,018,045	2,194,363	536,666
XXL	3,309,059	323,143	1,362,811	108,087	1,887,906	2,483,747	2,438,181	613,332

Variable Costs

The variable portion of administrative costs increases proportionately with the number of members enrolled by an MCO. Therefore, DHS determined a single PMPM cost assumption for each of the variable components. DHS used the PMPM cost projections as reported in the SWG documents as the basis to derive a point estimate for each component.

Table 13 shows the variable cost assumptions used to develop the CY 2020 capitation rates.

Table 13	
Wisconsin Department of Health Services	
Variable Cost Components of Non-Benefit Allowance	
Cost Component	PMPM Cost
Claims Management	\$19.15
Fiscal Management	3.93
Information Management	3.15
Quality Management	12.24

Targeted Risk Margin / Contribution to Reserves

We include an explicit 2.0% targeted margin to account for risk margin, cost of capital and contribution to MCO reserves as underlying service costs increase over time. We believe that this margin is appropriate given the predictability of expenses under the program and the expectation that 75% of the capitation withhold is expected to be returned to MCOs.

VI. OTHER RATE CONSIDERATIONS

All calculations and actual and potential adjustments outlined in this section have been developed in accordance with generally accepted actuarial principles and practices. The adjustments outlined below do not apply to the PACE program.

WITHHOLDS AND INCENTIVES

The total value of incentives outlined in this section will not exceed 5% of total capitation received by any Family Care Partnership MCO.

Pay for Performance Withhold and Incentive

Beginning in CY 2018, DHS implemented pay for performance in the Family Care Partnership program. For CY 2020, DHS will withhold 0.5% of each MCO's gross capitation rate. MCOs may earn back the withhold based on their performance on the following metrics:

1. Meeting minimum performance standards on four member satisfaction survey questions will determine the amount of withhold returned for 0.25% of capitation. The member satisfaction survey will be administered during the rate year. MCOs will be able to earn back a quarter of the withheld amount for each question, for which they meet the minimum performance standard. If the MCO meets the minimum performance standards for all four questions on the member satisfaction survey, they are then eligible to earn up to an additional 0.20% of their capitation rate in incentive payments. MCOs can earn an incentive payment equal to 0.05% of their capitation rate by meeting or exceeding the targeted performance benchmark for each question.
2. MCOs that maintain between 80% and 89% of their current competitive integrated employment rate will earn back 0.125% withheld from the capitation. MCOs that maintain between 90% and 100% of their current competitive integrated employment rate will earn back 0.25% withheld from the capitation. MCOs will earn an incentive of 0.05% of the capitation if they increase the number of members in competitive integrated employment by between 2.0% and 3.9% and an incentive of 0.1% if they increase the number of members by at least 4.0%.

Based on past performance, DHS and Milliman estimate that 0.375% of the 0.5% withhold (75% of the total withhold) will be returned to MCOs under the pay for performance terms. These capitation rates are certified as being actuarially sound assuming that 0.375% of the .5% withhold is returned.

Assisted Living Quality Incentive Payment

MCOs may receive incentive payments of no more than 0.1% of the total capitation received by the MCO for each member residing in assisted living facilities that meet one of two performance benchmarks. The amount of the incentive payment depends on which of the two performance benchmarks the facility meets:

1. Licensed for three years with no enforcement actions or substantiated complaints for three years.
2. Licensed for three years with no enforcement actions or substantiated complaints for three years, has a rate of less than three falls with injury per 1,000 occupied bed days, and is a member of the Wisconsin Coalition for Collaborative Excellence in Assisted Living.

Relocation Incentive Payment

DHS may provide a one-time incentive payment to the Family Care Partnership MCO for each MCO member who is relocated from an institution into a community setting consistent with federal Money Follows the Person (MFP) guidelines, contingent on the availability of federal MFP funding.

RETROSPECTIVE ADJUSTMENTS

Several retrospective adjustments not reflected in this report will be made for certain issues outside MCO control. These adjustments are not designed to be budget neutral. These adjustments, which are expected to be completed by December 31, 2021, include the processes outlined in this section.

Target Group Adjustment

DHS will reconcile the LTC service components of capitation payments to the actual target group mix experienced during the contract period. This adjustment is calculated for each MCO / GSR combination and estimates the impact on aggregate capitation rates for the differences in the distribution of members by target group between projected and actual contract period enrollment. The process used to calculate the retroactive target group adjustment is as follows:

1. Projected and actual contract period enrollment is summarized by MCO and GSR combination for each target group.
2. Long term care capitation rates net of the HCRP and withhold are deconstructed into target group-specific long term care capitation rates.
3. The aggregate long term care capitation rate is calculated by weighting the target group-specific long term care capitation rates separately for projected enrollment and actual enrollment.
4. The PMPM payment or recoupment amount is calculated as the difference between the capitation rates calculated with projected and actual enrollment. This difference is multiplied by actual contract period member months to determine the total payment or recoupment.

Dual Eligibility Status Adjustment

DHS will reconcile the acute and primary services component of capitation payments to the mix between Medicare and non-Medicare eligibles experienced during the contract period. The process used to calculate the retroactive dual eligibility status adjustment is as follows:

1. Projected and actual contract period dual eligibility status distribution is summarized by MCO and GSR combination.
2. The acute and primary portion of rates is deconstructed into Medicaid Only and Dual Eligible rates.
3. The aggregate acute and primary rate is calculated by weighting the Medicaid Only and Dual Eligible rates separately for projected enrollment and actual enrollment.
4. The PMPM payment or recoupment amount is calculated as the difference between the rates calculated with projected and actual enrollment. This difference is multiplied by actual contract period member months to determine the total payment or recoupment.

Nursing Home Closure Adjustment

In the event of the closure of an institutional facility, DHS may consider an adjustment in the capitation rate if the MCO quantifies a material cost increase due to an increase in the number of members who enrolled with the MCO in the contract period and who meet both of the following conditions:

1. Has a nursing home stay greater than 100 consecutive days during the contract period after enrollment.
2. Enrolled within 32 calendar days of their nursing home discharge date, or enrolled while residing in a nursing home.

If this adjustment is necessary, capitation rates will be recertified to incorporate the adjustment.

Ventilator Dependent LTC Service Reconciliation

DHS will reconcile the LTC service component of capitation payments to the actual percentage of members dependent on ventilators enrolled in each MCO in the contract period relative to the percentage experienced in the base period data. The cost relativity between ventilator dependent members and other members will also be utilized to determine the magnitude of the reconciliation. The process to calculate the retroactive ventilator-dependent adjustment is as follows:

1. The contract period projected proportion of ventilator-dependent member months assumed in capitation rate development is summarized by target group.
2. The actual contract period proportion of ventilator-dependent member months and actual member months are calculated using monthly eligibility and long term care functional screens for the contract period provided by DHS.
3. The ventilator-dependent cost weights for each target group used in the contract period regression model are summarized.
4. The total payment or recoupment for each target group is calculated using the following formula:

$$\text{Payment (Recoupment)} = \text{Actual Member Months} \times (\text{Actual \% Vent Dependent} - \text{Projected \% Vent Dependent}) \times \text{Vent Dependent Cost Weight.}$$

Dane County Eligibility Requirements

Family Care began operation in Dane County effective February 1, 2018. As a result, DD target group individuals who are eligible for Family Care, but were not eligible for Family Care Partnership under the more restrictive requirements existing prior to February 2018, may now choose to enroll in Family Care Partnership.

In order to account for the uncertainty around ultimate 2020 Family Care Partnership enrollment for MCOs operating in Dane County, the assumed enrollment underlying these capitation rates may be reconciled to the actual contract period acuity of an MCO's membership, as measured by the LTC functional screen. As these members would primarily be entering Family Care Partnership from the existing waiver population, a further adjustment may be made to phase in the impact of managed care savings and efficiency gains on historical FFS costs. The determination of whether this reconciliation is made depends on the materiality of the difference of the actual contract period average member acuity and the acuity assumed in this rate development. The process to calculate the retroactive adjustment is as follows:

1. DHS provides eligibility and functional screen information by MCO. Detailed LTCFS information for each unique member enrolled is summarized by month and target group.
2. The target group and screen information is applied to the variables and cost weights that are part of the contract period regression models. This calculates the modeled PMPM for each month and target group necessary to calculate the payment or recoupment.
3. These modeled values are then adjusted by all applicable rate development factors that were included in the rate report to arrive at the contract period PMPM Retroactive Rate. This would include the phase-in adjustment applied to Family Care capitation rates for GSR 12.
4. The final payment (recoupment) is calculated as the difference in the contract period PMPM Retroactive Rate and original capitation payment, multiplied by the actual membership.

AIDS / Ventilator Dependent Acute and Primary Service Reconciliation

Under the contract between DHS and the MCOs, the MCOs are not ultimately liable for acute and primary service costs, reimbursed up to the FFS fee schedule, associated with members meeting certain criteria associated with AIDS or ventilator dependency. Therefore, DHS will reimburse the MCOs for the encounter data costs for Medicaid-covered services for these enrollees. The base period costs identified using the same criteria were removed in this rate development.

State of Wisconsin Department of Health Services

CY 2020 Capitation Rate Development for Family Care Partnership / PACE Program

MCO encounter based payments paid on a FFS basis outside of capitation rates

Encounter-based payments paid on a FFS basis outside of the capitation rates are reimbursed to Family Care Partnership MCOs at the Medicaid fee schedule in compliance with the upper payment regulations outlined at 42 CFR §447.362. Any services incurred under the waiver approved for substance abuse not normally covered under the HMO capitation, will be reimbursed to HMOs outside of the capitation.

ALTERNATIVE PAYMENT ARRANGEMENTS

The following describes alternative payment arrangements in the Family Care Partnership program.

Maximum Provider Fee Schedule

Per the contract between DHS and the participating MCOs, State Plan services provided under the Family Care Partnership / PACE benefit package are subject to a maximum fee schedule established by the state. The use of this maximum fee schedule promotes efficient and cost effective care by controlling the growth in Medicaid expenditures. Most providers of State Plan services are subject to the maximum fee schedule, though MCOs have the ability to exceed the limit when necessary for executing a reimbursement contract. This arrangement does not include a separately distributed directed payment. DHS will submit a §438.6(c) pre-print proposal for an alternative payment arrange to implement the maximum fee schedule for CMS approval.

The maximum fee schedule was built into rates in a manner consistent with the submitted §438.6(c) payment arrangement. The base data developed in Sections III and IV of this report was developed based on historical Family Care experience, which reflects the long-standing maximum fee schedule arrangement. This base data was used to develop rates for all regions, including expansion regions in which Family Care was not yet operational. No further adjustment to provider reimbursement levels are made as part of rate development.

We certify that the Family Care Partnership capitation rates, including the maximum fee schedule, are actuarially sound.

Direct Care Workforce

Additionally, the 2019-21 Wisconsin biennial budget provides \$60.3 million in SFY 2019-20 and \$68.0 million in SFY 2020-21 to be distributed to Direct Care Workforce providers. DHS will submit a §438.6(c) pre-print proposal for an alternative payment arrangement to implement the funding distribution for CMS approval. Once the preprint is approved, we will recertify CY 2020 capitation rates to include this funding consistent with the approved methodology.

EXHIBITS A through D

Capitation Rate Development – Acute and Primary Services

State of Wisconsin Department of Health Services
CY 2020 Capitation Rate Development for Family Care Partnership / PACE Program

November 26, 2019

This report assumes that the reader is familiar with the State of Wisconsin's Medicaid program, its benefits, and rate setting principles. The report was prepared solely to provide assistance to DHS to set CY 2020 capitation rates for the Family Care Partnership / PACE program. It may not be appropriate for other purposes. Milliman does not intend to benefit, and assumes no duty or liability to, other parties who receive this work. This material should only be reviewed in its entirety.

Exhibit A1
Wisconsin Department of Health Services
CY 2020 Partnership / PACE Capitation Rate Development
Summary of 2018 Acute and Primary Services Experience by MCO / GSR
Dual Eligible Population

	Care WI (GSR 3)			Care WI (GSR 5)			Care WI (GSR 6)			Care WI (GSR 12)		
	DD	PD	FE	DD	PD	FE	DD	PD	FE	DD	PD	FE
Exposure Months	178	122	462	629	495	1,104	35	15	59	2,013	4,080	8,869
Acute and Primary Services												
Inpatient Hospital	\$0.00	\$10.98	\$20.97	\$27.34	\$31.74	\$25.69	\$76.04	\$251.34	\$0.00	\$23.68	\$35.28	\$28.45
Outpatient Hospital	70.47	3.71	29.65	7.52	16.89	7.01	7.18	35.51	0.00	6.95	24.17	29.30
Pharmacy	7.85	13.91	25.89	23.03	16.31	13.04	3.29	11.08	14.90	17.09	27.71	20.79
Dental	12.36	49.92	15.19	18.93	9.45	8.34	0.00	17.48	0.00	10.38	24.88	12.91
Other Acute and Primary	28.21	36.37	37.78	48.11	56.17	40.43	44.27	165.74	33.21	37.81	55.95	39.45
Grand Total	\$118.88	\$114.90	\$129.48	\$124.94	\$130.56	\$94.51	\$130.79	\$481.14	\$48.10	\$95.92	\$167.99	\$130.89
Composite PMPM	\$124.67			\$111.11			\$135.16			\$136.30		

	iCare (GSR 8)			iCare (GSR 11)			iCare (GSR 12)			CCHP (GSR 6)		
	DD	PD	FE	DD	PD	FE	DD	PD	FE	DD	PD	FE
Exposure Months	1,060	1,902	2,784	72	145	163	156	578	727	272	289	773
Acute and Primary Services												
Inpatient Hospital	\$11.74	\$64.62	\$124.36	\$0.00	\$13.03	\$31.57	\$17.15	\$46.58	\$25.61	\$5.94	\$103.66	\$48.72
Outpatient Hospital	4.82	11.16	15.69	8.47	10.22	3.69	2.55	5.25	4.46	2.03	78.39	16.87
Pharmacy	0.00	0.58	0.16	0.00	0.07	0.00	0.00	0.08	0.56	0.01	0.34	0.12
Dental	8.36	6.27	6.72	0.00	0.00	0.00	0.00	0.00	0.00	30.06	124.15	20.46
Other Acute and Primary	34.54	57.12	43.86	34.26	85.96	36.50	22.00	40.73	34.54	104.62	164.03	91.16
Grand Total	\$59.46	\$139.75	\$190.79	\$42.73	\$109.28	\$71.75	\$41.71	\$92.64	\$65.16	\$142.65	\$470.57	\$177.33
Composite PMPM	\$149.67			\$80.61			\$73.52			\$233.75		

	CCHP (GSR 8)			CCHP (GSR 10)			CCHP (GSR 11)			Grand Total - Base Data		
	DD	PD	FE	DD	PD	FE	DD	PD	FE	DD	PD	FE
Exposure Months	812	473	458	260	224	625	514	288	761	6,000	8,612	16,785
Acute and Primary Services												
Inpatient Hospital	\$26.35	\$114.81	\$22.49	\$0.00	\$7.97	\$21.07	\$22.17	\$71.98	\$19.02	\$19.51	\$49.16	\$43.84
Outpatient Hospital	27.32	89.92	49.29	1.57	41.04	27.43	5.33	50.95	7.74	10.58	25.87	23.08
Pharmacy	0.20	2.24	0.16	0.00	0.00	0.69	0.00	0.11	1.01	8.43	14.56	12.74
Dental	17.67	67.54	66.74	4.11	14.56	4.60	25.00	47.67	1.54	13.38	24.30	11.91
Other Acute and Primary	53.75	92.05	74.31	37.20	55.31	51.16	36.21	67.70	53.60	42.63	61.61	44.35
Grand Total	\$125.29	\$366.57	\$212.99	\$42.88	\$118.88	\$104.96	\$88.71	\$238.40	\$82.90	\$94.53	\$175.49	\$135.92
Composite PMPM	\$213.82			\$93.21			\$113.46			\$138.86		

Exhibit A2
Wisconsin Department of Health Services
CY 2020 Partnership / PACE Capitation Rate Development
Summary of 2018 Acute and Primary Services Experience by MCO / GSR
Medicaid Only Population

	Care WI (GSR 3)			Care WI (GSR 5)			Care WI (GSR 6)			Care WI (GSR 12)		
	DD	PD	FE	DD	PD	FE	DD	PD	FE	DD	PD	FE
Exposure Months	67	36	12	149	90	12	9	16	0	661	1,993	184
Acute and Primary Services												
Inpatient Hospital	\$0.00	\$558.67	\$0.00	\$122.16	\$380.80	\$0.00	\$1,781.47	\$0.00	\$0.00	\$203.53	\$987.58	\$151.74
Outpatient Hospital	28.48	392.85	50.78	29.19	188.37	128.20	399.54	67.00	0.00	87.80	259.78	168.54
Pharmacy	11.79	5.55	28.71	14.74	27.04	7.40	9.92	1.49	0.00	16.69	30.09	13.70
Dental	10.21	15.81	0.00	28.98	57.72	0.00	0.00	29.85	0.00	26.41	23.78	2.56
Other Acute and Primary	72.97	327.73	171.96	63.30	277.69	575.95	609.58	137.87	0.00	160.05	328.35	124.18
Grand Total	\$123.45	\$1,300.61	\$251.46	\$258.37	\$931.61	\$711.54	\$2,800.51	\$236.21	\$0.00	\$494.49	\$1,629.57	\$460.73
Composite PMPM	\$501.77			\$521.96			\$1,153.10			\$1,289.34		

	iCare (GSR 8)			iCare (GSR 11)			iCare (GSR 12)			CCHP (GSR 6)		
	DD	PD	FE	DD	PD	FE	DD	PD	FE	DD	PD	FE
Exposure Months	861	2,127	24	64	48	0	77	391	14	105	120	7
Acute and Primary Services												
Inpatient Hospital	\$654.56	\$709.56	\$0.00	\$1,396.12	\$0.00	\$0.00	\$1,517.48	\$1,903.91	\$0.00	\$118.94	\$579.94	\$0.00
Outpatient Hospital	112.92	171.20	18.78	38.23	125.18	0.00	111.39	265.79	3.70	41.42	138.62	0.00
Pharmacy	20.48	60.43	25.67	2.61	33.16	0.00	10.74	21.80	17.77	13.27	8.84	0.00
Dental	21.25	26.45	79.60	0.00	0.00	0.00	0.00	0.00	0.00	74.35	118.42	0.00
Other Acute and Primary	215.91	326.30	48.06	184.23	319.10	0.00	348.33	329.72	146.00	191.73	337.83	162.33
Grand Total	\$1,025.13	\$1,293.94	\$172.11	\$1,621.19	\$477.44	\$0.00	\$1,987.94	\$2,521.23	\$167.47	\$439.71	\$1,183.65	\$162.33
Composite PMPM	\$1,208.19			\$1,131.01			\$2,367.90			\$817.52		

	CCHP (GSR 8)			CCHP (GSR 10)			CCHP (GSR 11)			Grand Total - Base Data		
	DD	PD	FE	DD	PD	FE	DD	PD	FE	DD	PD	FE
Exposure Months	598	546	0	62	72	0	137	130	0	2,789	5,568	253
Acute and Primary Services												
Inpatient Hospital	\$737.61	\$1,847.17	\$0.00	\$0.00	\$320.48	\$0.00	\$142.22	\$1,226.26	\$0.00	\$505.83	\$994.22	\$110.35
Outpatient Hospital	161.31	265.13	0.00	70.13	92.28	0.00	180.16	487.93	0.00	109.68	225.40	133.04
Pharmacy	13.71	47.52	0.00	0.41	124.63	0.00	12.89	29.26	0.00	15.82	43.28	15.10
Dental	44.04	64.51	0.00	1.29	12.24	0.00	23.03	3.37	0.00	28.00	28.85	9.42
Other Acute and Primary	380.47	604.97	0.00	100.11	289.19	0.00	236.68	565.73	0.00	228.08	358.54	142.92
Grand Total	\$1,337.15	\$2,829.30	\$0.00	\$171.94	\$838.81	\$0.00	\$594.99	\$2,312.55	\$0.00	\$887.40	\$1,650.30	\$410.82
Composite PMPM	\$2,049.17			\$529.37			\$1,429.09			\$1,366.78		

Exhibit B2
Wisconsin Department of Health Services
CY 2020 Partnership / PACE Capitation Rate Development
Summary of Trended and Completed 2020 Acute and Primary Services Costs by Rate Cell
Dual Eligible and Medicaid Only Populations

Service Category	Age Group	Developmentally Disabled				Physically Disabled				Frail Elderly			
		Dual		Medicaid Only		Dual		Medicaid Only		Dual		Medicaid Only	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Inpatient Hospital	0-44	\$25.62	\$13.65	\$584.26	\$206.23	\$54.48	\$123.57	\$1,266.65	\$1,711.17	N/A	N/A	N/A	N/A
	45-54	15.67	29.11	557.99	1,320.34	90.21	32.44	1,731.14	931.37	N/A	N/A	N/A	N/A
	55-64	10.97	27.41	843.68	448.16	55.77	51.22	1,468.30	789.79	N/A	N/A	N/A	N/A
	65-74	23.92	24.70	6,594.64	0.00	43.54	42.07	729.38	0.00	41.78	32.62	124.34	124.34
	75-84	54.85	6.90	0.00	0.00	0.00	0.00	0.00	0.00	39.39	103.20	124.34	124.34
	85+	19.35	67.20	0.00	0.00	0.00	0.00	0.00	0.00	32.81	23.77	124.34	124.34
Outpatient Hospital	0-44	\$7.88	\$13.31	\$90.53	\$103.16	\$39.87	\$63.53	\$371.80	\$369.22	N/A	N/A	N/A	N/A
	45-54	18.94	8.11	151.93	199.97	34.95	41.31	348.57	269.77	N/A	N/A	N/A	N/A
	55-64	6.29	27.38	168.34	196.74	36.80	13.84	223.45	194.65	N/A	N/A	N/A	N/A
	65-74	5.42	5.94	268.65	8.13	37.21	16.66	325.20	187.74	122.16	20.07	150.31	150.31
	75-84	3.13	5.48	0.00	0.00	0.00	0.00	0.00	0.00	13.06	9.81	150.31	150.31
	85+	49.14	8.65	0.00	0.00	0.00	0.00	0.00	0.00	4.33	5.41	150.31	150.31
Pharmacy	0-44	\$3.85	\$5.30	\$12.02	\$12.34	\$14.02	\$11.71	\$22.34	\$37.06	N/A	N/A	N/A	N/A
	45-54	5.98	12.88	9.43	35.50	11.16	17.36	28.01	42.83	N/A	N/A	N/A	N/A
	55-64	5.82	11.05	15.41	38.79	16.04	18.35	47.02	61.54	N/A	N/A	N/A	N/A
	65-74	16.13	13.14	0.82	77.08	11.66	9.59	37.43	62.44	8.79	11.97	16.64	16.64
	75-84	10.43	17.35	0.00	0.00	0.00	0.00	0.00	0.00	11.70	16.66	16.64	16.64
	85+	5.96	15.67	0.00	0.00	0.00	0.00	0.00	0.00	19.22	16.58	16.64	16.64
Dental	0-44	\$19.18	\$15.38	\$30.83	\$37.35	\$24.07	\$46.24	\$33.16	\$20.14	N/A	N/A	N/A	N/A
	45-54	19.90	26.82	16.07	10.16	28.70	28.84	67.31	33.37	N/A	N/A	N/A	N/A
	55-64	15.31	9.98	58.86	18.78	20.07	31.48	28.54	21.84	N/A	N/A	N/A	N/A
	65-74	9.48	10.04	0.00	5.28	26.25	5.79	16.30	225.57	19.91	12.81	10.63	10.63
	75-84	3.29	19.40	0.00	0.00	0.00	0.00	0.00	0.00	11.90	12.51	10.63	10.63
	85+	11.61	7.67	0.00	0.00	0.00	0.00	0.00	0.00	8.71	13.10	10.63	10.63
Other Acute & Primary	0-44	\$43.54	\$41.50	\$180.01	\$185.01	\$83.36	\$91.29	\$457.37	\$382.73	N/A	N/A	N/A	N/A
	45-54	34.77	69.26	321.70	536.57	69.87	69.94	415.85	390.17	N/A	N/A	N/A	N/A
	55-64	37.00	62.29	361.79	310.16	66.68	60.19	427.36	364.04	N/A	N/A	N/A	N/A
	65-74	50.02	46.29	645.72	215.75	108.70	56.20	498.10	257.99	61.08	51.86	156.22	156.22
	75-84	33.99	31.32	0.00	0.00	0.00	0.00	0.00	0.00	45.60	42.64	156.22	156.22
	85+	27.59	46.00	0.00	0.00	0.00	0.00	0.00	0.00	43.26	45.84	156.22	156.22
Total	0-44	\$100.06	\$89.14	\$897.64	\$544.08	\$215.80	\$336.33	\$2,151.32	\$2,520.30	N/A	N/A	N/A	N/A
	45-54	95.25	146.18	1,057.12	2,102.53	234.88	189.88	2,590.88	1,667.51	N/A	N/A	N/A	N/A
	55-64	75.39	138.11	1,448.08	1,012.62	195.36	175.08	2,194.67	1,431.87	N/A	N/A	N/A	N/A
	65-74	104.95	100.11	7,509.82	306.25	227.36	130.31	1,606.41	733.75	253.73	129.32	458.15	458.15
	75-84	105.68	80.46	0.00	0.00	0.00	0.00	0.00	0.00	121.65	184.82	458.15	458.15
	85+	113.66	145.19	0.00	0.00	0.00	0.00	0.00	0.00	108.33	104.70	458.15	458.15
Grand Total		\$104.97		\$992.26		\$195.52		\$1,847.21		\$151.52		\$458.15	

Exhibit C
Wisconsin Department of Health Services
CY 2020 Partnership / PACE Capitation Rate Development
Summary of 2020 Projected Member Months by MCO / GSR and Age Group
Dual Eligible and Medicaid Only Populations

MCO	Age Group	Developmentally Disabled				Physically Disabled				Frail Elderly			
		Dual		Medicaid Only		Dual		Medicaid Only		Dual		Medicaid Only	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Care WI (GSR 3)	0-44	14	41	10	37	13	13	25	0	0	0	0	0
	45-54	21	21	0	0	14	25	0	3	0	0	0	0
	55-64	21	21	0	10	49	16	5	4	0	0	0	0
	65-74	0	10	0	0	0	0	0	0	46	64	0	0
	75-84	0	0	0	0	0	0	0	0	15	118	0	11
85+	4	0	0	0	0	0	0	0	29	151	0	0	
Care WI (GSR 5)	0-44	104	23	70	47	32	17	5	0	0	0	0	0
	45-54	42	84	1	0	24	89	1	35	0	0	0	0
	55-64	76	35	0	14	134	222	31	27	0	0	0	0
	65-74	66	111	0	11	24	0	0	0	111	126	0	0
	75-84	0	58	0	0	0	0	0	0	168	300	0	12
85+	0	9	0	0	0	0	0	0	85	354	0	0	
Care WI (GSR 6)	0-44	1	22	8	2	15	7	0	8	0	0	0	0
	45-54	0	0	0	2	0	0	0	15	0	0	0	0
	55-64	0	0	0	0	11	0	10	0	0	0	0	0
	65-74	3	24	0	0	0	0	0	0	37	0	0	0
	75-84	0	0	0	0	0	0	0	0	5	61	0	0
85+	0	0	0	0	0	0	0	0	4	74	0	0	
Care WI (GSR 12)	0-44	183	168	248	178	108	267	133	253	0	0	0	0
	45-54	200	171	30	97	412	726	187	438	0	0	0	0
	55-64	337	445	105	108	845	1,728	371	687	0	0	0	0
	65-74	288	304	9	14	76	174	7	41	1,112	2,532	41	20
	75-84	83	131	0	0	0	0	0	0	1,117	2,766	41	50
85+	36	55	0	0	0	0	0	0	396	2,712	0	68	
iCare (GSR 3)	0-44	1	4	1	4	2	2	3	0	0	0	0	0
	45-54	2	2	0	0	2	3	0	0	0	0	0	0
	55-64	2	2	0	1	6	2	1	1	0	0	0	0
	65-74	0	1	0	0	0	0	0	0	3	4	0	0
	75-84	0	0	0	0	0	0	0	0	1	7	0	1
85+	0	0	0	0	0	0	0	0	2	8	0	0	
iCare (GSR 8)	0-44	259	262	520	243	68	69	90	127	0	0	0	0
	45-54	215	79	112	46	92	313	154	389	0	0	0	0
	55-64	177	202	86	114	483	828	345	1,168	0	0	0	0
	65-74	28	153	0	19	69	160	32	25	619	1,258	9	4
	75-84	21	0	0	0	0	0	0	0	167	623	0	13
85+	0	7	0	0	0	0	0	0	52	279	0	0	
iCare (GSR 11)	0-44	17	40	40	0	14	29	0	6	0	0	0	0
	45-54	14	20	26	20	17	47	17	28	0	0	0	0
	55-64	0	0	20	0	42	35	0	17	0	0	0	0
	65-74	0	28	0	0	6	12	0	0	30	86	0	0
	75-84	0	0	0	0	0	0	0	0	39	35	0	0
85+	0	0	0	0	0	0	0	0	18	63	0	0	
iCare (GSR 12)	0-44	41	0	24	50	22	20	55	67	0	0	0	0
	45-54	43	15	11	0	50	207	82	112	0	0	0	0
	55-64	32	47	4	38	311	289	109	222	0	0	0	0
	65-74	24	59	11	0	28	35	3	2	163	295	0	3
	75-84	0	20	0	0	0	0	0	0	57	233	0	18
85+	0	0	0	0	0	0	0	0	42	298	0	0	
CCHP - PACE	0-44	0	0	0	0	0	0	0	0	0	0	0	0
	45-54	0	0	0	0	0	0	0	0	0	0	0	0
	55-64	98	34	68	17	129	170	73	117	0	0	0	0
	65-74	306	232	11	0	53	31	5	0	538	912	21	34
	75-84	72	21	0	0	0	0	0	0	273	967	8	11
85+	0	13	0	0	0	0	0	0	180	2,350	0	5	
CCHP (GSR 6)	0-44	44	37	32	26	0	17	9	0	0	0	0	0
	45-54	45	32	0	12	78	27	25	0	0	0	0	0
	55-64	3	49	25	12	58	100	29	53	0	0	0	0
	65-74	28	25	0	0	12	5	0	8	119	254	0	0
	75-84	12	0	0	0	0	0	0	0	106	186	0	0
85+	3	0	0	0	0	0	0	0	39	135	0	8	
CCHP (GSR 8)	0-44	257	122	229	213	33	19	66	56	0	0	0	0
	45-54	76	55	30	21	81	107	77	131	0	0	0	0
	55-64	90	135	80	40	116	157	168	106	0	0	0	0
	65-74	30	24	0	0	19	1	10	1	67	68	0	0
	75-84	0	31	0	0	0	0	0	0	22	111	0	0
85+	0	13	0	0	0	0	0	0	63	59	0	0	
CCHP (GSR 10)	0-44	26	33	49	38	36	0	0	10	0	0	0	0
	45-54	50	17	0	0	4	13	34	13	0	0	0	0
	55-64	102	67	0	0	85	88	0	21	0	0	0	0
	65-74	33	17	0	0	0	17	0	0	65	170	0	0
	75-84	17	0	0	0	0	0	0	0	42	100	0	0
85+	0	0	0	0	0	0	0	0	77	109	0	0	
CCHP (GSR 11)	0-44	41	28	50	14	2	0	0	12	0	0	0	0
	45-54	9	53	14	17	27	29	26	14	0	0	0	0
	55-64	127	77	42	15	104	154	42	57	0	0	0	0
	65-74	107	102	2	2	3	16	0	0	93	162	0	0
	75-84	4	28	0	0	0	0	0	0	80	115	0	0
85+	0	14	0	0	0	0	0	0	64	138	0	0	
Total	0-44	989	780	1,281	851	344	459	386	540	0	0	0	0
	45-54	717	547	223	216	801	1,588	601	1,178	0	0	0	0
	55-64	1,065	1,112	430	368	2,373	3,789	1,186	2,480	0	0	0	0
	65-74	913	1,089	33	47	290	453	57	78	3,004	5,930	70	62
	75-84	210	288	0	0	0	0	0	0	2,094	5,620	49	117
85+	44	111	0	0	0	0	0	0	1,050	6,731	0	80	

Exhibit D1
 Wisconsin Department of Health Services
 CY 2020 Partnership / PACE Capitation Rate Development
 Acute and Primary Services Rate Development
 Dual Eligible Population

	Care WI (GSR 3)	Care WI (GSR 5)	Care WI (GSR 6)	Care WI (GSR 12)	iCare (GSR 3)	iCare (GSR 8)	iCare (GSR 11)	iCare (GSR 12)	CCHP - PACE	CCHP (GSR 6)	CCHP (GSR 8)	CCHP (GSR 10)	CCHP (GSR 11)
Inpatient Hospital	\$45.62	\$43.39	\$49.93	\$48.18	\$45.14	\$44.01	\$43.99	\$45.84	\$41.40	\$47.29	\$39.43	\$39.03	\$38.43
Outpatient Hospital	23.09	19.53	28.30	23.08	24.54	28.80	25.92	27.26	19.62	25.85	22.12	21.46	20.30
Pharmacy	13.53	14.06	13.84	14.17	13.16	12.76	13.08	14.47	14.69	13.03	11.66	12.86	13.36
Dental	16.53	17.42	15.46	17.11	18.34	18.41	19.09	18.98	13.71	17.01	19.24	15.82	16.28
Other Acute and Primary	51.49	51.94	50.98	52.60	54.24	54.74	56.22	56.22	48.78	52.94	53.73	51.18	51.63
Total Acute and Primary Services	\$150.25	\$146.34	\$158.51	\$155.13	\$155.43	\$158.72	\$158.30	\$162.75	\$138.20	\$156.12	\$146.17	\$140.35	\$140.00
CY 2020 Member Months	704	2,293	264	17,375	55	6,484	591	2,333	6,377	1,415	1,756	1,168	1,577

Exhibit D2
 Wisconsin Department of Health Services
 CY 2020 Partnership / PACE Capitation Rate Development
 Acute and Primary Services Rate Development
 Medicaid Only Population

	Care WI (GSR 3)	Care WI (GSR 5)	Care WI (GSR 6)	Care WI (GSR 12)	iCare (GSR 3)	iCare (GSR 8)	iCare (GSR 11)	iCare (GSR 12)	CCHP - PACE	CCHP (GSR 6)	CCHP (GSR 8)	CCHP (GSR 10)	CCHP (GSR 11)
Inpatient Hospital	\$615.67	\$651.58	\$1,119.00	\$950.87	\$698.97	\$863.05	\$917.30	\$1,100.20	\$949.62	\$865.10	\$879.46	\$857.96	\$991.66
Outpatient Hospital	193.80	155.95	234.33	221.37	209.07	199.62	194.21	241.78	189.98	193.12	196.98	191.33	194.48
Pharmacy	22.16	30.67	35.42	37.87	23.39	39.52	26.79	40.36	37.44	34.12	28.82	25.62	33.07
Dental	29.98	28.48	28.44	31.35	30.93	30.15	32.13	30.74	26.65	40.43	33.82	38.33	32.90
Other Acute and Primary	283.05	273.66	357.11	346.39	304.47	335.96	344.55	368.16	339.25	332.34	320.35	282.37	346.82
Total Acute and Primary Services	\$1,144.66	\$1,140.34	\$1,774.30	\$1,587.85	\$1,266.82	\$1,468.31	\$1,514.99	\$1,781.23	\$1,542.94	\$1,465.11	\$1,459.43	\$1,395.61	\$1,598.94
CY 2020 Member Months	106	255	46	3,128	11	3,494	172	811	371	239	1,227	164	308

Exhibit D3
 Wisconsin Department of Health Services
 CY 2020 Partnership / PACE Capitation Rate Development
 Acute and Primary Services Rate Development
 Total Population

	Care WI (GSR 3)	Care WI (GSR 5)	Care WI (GSR 6)	Care WI (GSR 12)	iCare (GSR 3)	iCare (GSR 8)	iCare (GSR 11)	iCare (GSR 12)	CCHP - PACE	CCHP (GSR 6)	CCHP (GSR 8)	CCHP (GSR 10)	CCHP (GSR 11)
Inpatient Hospital	\$120.12	\$104.14	\$209.50	\$185.89	\$154.76	\$330.84	\$241.24	\$317.87	\$91.34	\$165.33	\$385.03	\$139.92	\$194.39
Outpatient Hospital	45.40	33.16	59.05	53.33	55.48	88.62	63.93	82.60	28.99	50.00	94.06	42.39	48.80
Pharmacy	14.66	15.72	17.06	17.79	14.88	22.13	16.18	21.15	15.94	16.08	18.72	14.43	16.59
Dental	18.28	18.53	17.40	19.28	20.45	22.52	22.04	22.01	14.42	20.39	25.24	18.60	19.00
Other Acute and Primary	81.75	74.09	96.67	97.41	96.20	153.22	121.34	136.70	64.75	93.27	163.42	79.66	99.92
Total Acute and Primary Services	\$280.22	\$245.64	\$399.68	\$373.69	\$341.77	\$617.34	\$464.72	\$580.33	\$215.44	\$345.07	\$686.47	\$295.00	\$378.70
CY 2020 Member Months	810	2,548	310	20,502	66	9,978	763	3,144	6,748	1,654	2,983	1,332	1,885

EXHIBITS E through G

Capitation Rate Development – Long Term Care Services

State of Wisconsin Department of Health Services
CY 2020 Capitation Rate Development for Family Care Partnership / PACE Program

November 26, 2019

This report assumes that the reader is familiar with the State of Wisconsin's Medicaid program, its benefits, and rate setting principles. The report was prepared solely to provide assistance to DHS to set CY 2020 capitation rates for the Family Care Partnership / PACE program. It may not be appropriate for other purposes. Milliman does not intend to benefit, and assumes no duty or liability to, other parties who receive this work. This material should only be reviewed in its entirety.

Exhibit E1
Wisconsin Department of Health Services
CY 2020 Partnership / PACE Capitation Rate Development
Functional Screen Regression Model of 2017 to 2018 for Family Care Nursing Home Population
Developmentally Disabled

				R-Squared	46.8%
Variable	Statewide Estimate	p-Value	Incremental Partial R²	Proportion with Variable	Incremental Increase
Intercept (Grid Component)	388.80			100.0%	388.80
DD / NH Level of Care (Grid Component)					
Vent Dependent	6,072.01	0.0000	0.15%	0.1%	4.58
DD1A	254.83	0.0000	0.01%	2.7%	6.87
Number of IADLs (Grid Component)					
IADL_1	0.00	0.0000	0.00%	1.5%	0.00
IADL_2	271.16	0.0000	0.01%	9.4%	25.62
IADL_3	639.17	0.0000	0.11%	18.6%	118.89
IADL_4	1,397.48	0.0000	0.77%	32.4%	452.42
IADL_5	1,715.27	0.0000	0.20%	38.1%	653.57
Specific ADLs / Equipment Used (Add-On)					
Eating_1	121.07	0.0000	0.10%	14.6%	17.63
Eating_2	460.53	0.0000	0.27%	20.5%	94.38
Bathing_2	268.63	0.0000	0.62%	39.6%	106.40
Transfer_2	565.49	0.0000	0.57%	15.5%	87.65
Interaction Terms (Add-On)					
Brain_Other	330.85	0.0000	0.01%	2.4%	7.82
Other Federal DD_Bipolar	289.40	0.0000	0.00%	0.5%	1.49
Autism_Alcohol	664.80	0.0000	0.00%	0.3%	1.71
Behaviors_Autism	1,398.71	0.0000	0.85%	4.8%	67.62
Injury_Age Under 30	2,327.54	0.0000	0.93%	1.6%	36.61
Injury_Mental Illness	1,731.13	0.0000	1.97%	3.5%	61.29
Intellectually Disabled_Bipolar	561.56	0.0000	0.16%	5.9%	33.03
Intellectually Disabled_Other Mental Illness	581.51	0.0000	0.51%	16.3%	94.78
Mental_Schizophrenia	300.80	0.0000	0.08%	5.7%	17.11
Seizure Pre-22_Depression	213.59	0.0000	0.02%	5.8%	12.41
Trauma BI Post-22_Other Mental Illness	374.17	0.0000	0.00%	2.4%	9.11
Dress_Bath	483.90	0.0000	1.50%	44.5%	215.20
Transfer_Equip_Mobility	638.73	0.0000	0.30%	5.4%	34.49
Behavioral Variables (Add-On)					
Injury_1	379.00	0.0000	0.03%	5.2%	19.80
Injury_2	540.39	0.0000	0.13%	5.3%	28.52
Offensive_1-3	1,203.56	0.0000	4.55%	29.6%	355.80
Wander_2	1,984.54	0.0000	3.55%	4.0%	79.83
Mental Health_2	168.99	0.0000	0.65%	62.9%	106.30
Resistive_1	679.34	0.0000	6.51%	8.4%	57.15
Medication Use (Add-On)					
Meds_2B	428.69	0.0000	10.75%	73.3%	314.44
Health Related Services (Add-On)					
Exercise	352.05	0.0000	0.99%	9.9%	34.73
Tube Feedings	439.92	0.0000	0.37%	2.4%	10.54
Respirate	231.18	0.0000	0.38%	5.8%	13.36
Ostomy	719.72	0.0000	0.09%	0.6%	4.64
Urinary	538.94	0.0000	0.07%	0.9%	4.92
Tracheostomy	3,043.59	0.0000	0.75%	0.3%	9.02
Reposition	590.26	0.0000	5.66%	6.9%	40.67
Incidents					
Incidents_0	0.00	0.0000	0.00%	94.6%	0.00
Incidents_1	846.02	0.0000	0.70%	3.5%	29.28
Incidents_2	1,935.50	0.0000	0.74%	0.9%	17.93
Incidents_3+	3,245.95	0.0000	1.77%	1.0%	32.65

Exhibit E2
Wisconsin Department of Health Services
CY 2020 Partnership / PACE Capitation Rate Development
Functional Screen Regression Model of 2017 to 2018 for Family Care Nursing Home Population
Physically Disabled

R-Squared 46.9%

Variable	Statewide Estimate	p-Value	Incremental Partial R ²	Proportion with Variable	Incremental Increase
Intercept (Grid Component)	816.00			100.0%	816.00
DD / NH Level of Care (Grid Component)					
Vent Dependent	8,772.27	0.0000	1.86%	0.6%	52.16
SNF	587.46	0.0000	0.59%	22.0%	129.09
Number of IADLs (Grid Component)					
IADL_1	0.00	0.0000	0.00%	17.4%	0.00
IADL_2	232.30	0.0000	0.12%	27.4%	63.77
IADL_3	561.80	0.0000	0.62%	20.8%	116.69
IADL_4	946.20	0.0000	1.22%	25.0%	236.74
IADL_5	1,163.77	0.0000	0.19%	9.4%	109.43
Specific ADLs / Equipment Used (Add-On)					
Eating_2	147.10	0.0000	0.10%	7.1%	10.45
Bathing_2	351.82	0.0000	0.74%	30.9%	108.83
Transfer_2	915.19	0.0000	3.04%	19.7%	180.71
Interaction Terms (Add-On)					
Injury_Mental Illness	1,283.71	0.0000	0.16%	0.4%	4.54
Mental Illness_3 or More Mental Disorders	148.90	0.0000	0.04%	17.9%	26.61
Spinal Injury_Alcohol/Drug Abuse	526.63	0.0000	0.04%	0.7%	3.87
Dress_Bath	220.47	0.0000	0.65%	65.5%	144.50
Vent Dependent_Tracheostomy	2,964.52	0.0000	1.24%	0.2%	6.39
Transfer_Equip_Mobility	560.88	0.0000	0.89%	5.9%	32.87
Behavioral Variables (Add-On)					
Cognition_2	318.28	0.0000	1.24%	15.8%	50.39
Cognition_3	502.74	0.0000	0.52%	4.0%	20.27
Offensive_1-3	806.91	0.0000	1.92%	5.5%	44.33
Wander_2	307.39	0.0000	0.42%	1.1%	3.24
Mental Health_2	76.58	0.0000	0.13%	75.9%	58.16
Alcohol Drug Abuse	101.41	0.0000	0.03%	21.8%	22.15
Health Related Services (Add-On)					
Exercise	232.04	0.0000	0.69%	10.5%	24.39
Ulcer Stage 2	816.65	0.0000	0.25%	1.3%	10.92
Ulcer Stage 3-4	983.02	0.0000	0.51%	1.4%	14.04
Respirate	166.07	0.0000	0.90%	6.5%	10.81
Urinary	588.25	0.0000	1.03%	2.9%	16.81
Wound	380.98	0.0000	1.03%	4.4%	16.91
Tracheostomy	2,973.89	0.0000	6.39%	0.7%	22.04
Reposition	878.38	0.0000	17.45%	8.0%	70.08
Diagnoses (Add-On)					
Alzheimers	268.97	0.0000	2.23%	10.8%	28.92
Incidents					
Incidents_0	0.00	0.0000	0.00%	96.6%	0.00
Incidents_1	611.20	0.0000	0.25%	2.7%	16.28
Incidents_2+	1,222.96	0.0000	0.40%	0.7%	8.79

Exhibit E3
Wisconsin Department of Health Services
CY 2020 Partnership / PACE Capitation Rate Development
Functional Screen Regression Model of 2017 to 2018 for Family Care Nursing Home Population
Frail Elderly

				R-Squared	34.8%
Variable	Family Care Statewide Estimate	p-Value	Incremental Partial R²	Proportion with Variable	Incremental Increase
Intercept (Grid Component)	660.39			100.0%	660.39
DD / NH Level of Care (Grid Component)					
Vent Dependent	4,695.34	0.0000	0.12%	0.1%	2.75
SNF	403.54	0.0000	0.58%	22.0%	88.81
Number of IADLs (Grid Component)					
IADL_1	0.00	0.0000	0.00%	7.0%	0.00
IADL_2	297.15	0.0000	0.14%	13.7%	40.65
IADL_3	601.43	0.0000	0.49%	12.8%	76.84
IADL_4-5	1,007.91	0.0000	2.00%	66.5%	670.50
Specific ADLs / Equipment Used (Add-On)					
Transfer_2	671.75	0.0000	2.12%	26.6%	178.50
Bath_Position	176.64	0.0000	0.03%	89.7%	158.36
Interaction Terms (Add-On)					
Dress_Toilet	392.80	0.0000	3.73%	60.0%	235.71
Injury_Mental Illness	594.41	0.0000	0.04%	0.2%	1.28
Seizure_Post-22_Other	375.13	0.0000	0.02%	0.7%	2.79
Transfer_Equip_Mobility	669.37	0.0000	1.88%	7.7%	51.52
Behavioral Variables (Add-On)					
Cognition_2	204.65	0.0000	1.67%	29.0%	59.41
Cognition_3	308.32	0.0000	0.85%	13.7%	42.30
Offensive_1-3	262.28	0.0000	1.01%	7.1%	18.72
Mental Health_2	138.59	0.0000	0.17%	61.5%	85.27
Alcohol Drug Abuse	140.13	0.0000	0.00%	7.2%	10.14
Health Related Services (Add-On)					
Dialysis	163.41	0.0000	0.13%	1.9%	3.12
Exercise	238.23	0.0000	0.76%	6.9%	16.51
Ulcer Stage 2	310.67	0.0000	0.12%	1.0%	3.13
Ulcer Stage 3-4	896.98	0.0000	0.32%	0.6%	5.28
Respirate	129.07	0.0000	0.74%	7.6%	9.84
Urinary	288.26	0.0000	0.25%	0.9%	2.55
Wound	211.91	0.0000	0.54%	3.0%	6.29
Tracheostomy	1,768.76	0.0000	0.12%	0.1%	2.16
Reposition	532.00	0.0000	8.32%	7.2%	38.53
Diagnoses (Add-On)					
Alzheimers	160.40	0.0000	7.80%	40.9%	65.60
Mental Illness	165.53	0.0000	0.54%	26.2%	43.37
Incidents					
Incidents_0	0.00	0.0000	0.00%	98.6%	0.00
Incidents_1+	559.76	0.0000	0.26%	1.4%	7.82

Exhibit F1
 Wisconsin Department of Health Services
 CY 2020 Partnership / PACE Capitation Rate Development
 MCO / GSR Functional Screen Attribute Distribution for Family Care Partnership / PACE - June 2019 Enrollment
 Developmentally Disabled

Variable	Statewide Estimate	MCFCI / Care WI (GSR 3)	MCFCI / Care WI (GSR 5)	MCFCI / Care WI (GSR 6)	MCFCI / Care WI (GSR 12)	iCare (GSR 3)	iCare (GSR 8)	iCare (GSR 11)	iCare (GSR 12)	CCHP - PACE	CCHP (GSR 6)	CCHP (GSR 8)	CCHP (GSR 10)	CCHP (GSR 11)
Intercept (Grid Component)	388.80	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
DD / NH Level of Care (Grid Component)														
Vent Dependent	6,072.01	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%	2.9%	0.0%	0.0%	0.9%	0.0%	0.0%
DD1A	254.83	10.5%	5.3%	0.0%	3.1%	10.5%	1.4%	0.0%	2.9%	1.9%	0.0%	2.7%	7.1%	4.6%
Number of IADLs (Grid Component)														
IADL_1	0.00	0.0%	5.3%	0.0%	5.1%	0.0%	0.5%	0.0%	5.8%	0.0%	0.0%	0.9%	0.0%	3.1%
IADL_2	271.16	0.0%	10.5%	0.0%	13.0%	0.0%	5.6%	0.0%	23.2%	5.6%	22.9%	2.7%	14.3%	7.7%
IADL_3	639.17	31.6%	8.8%	25.0%	19.0%	31.6%	21.8%	43.8%	29.0%	11.1%	26.8%	9.1%	17.9%	19.8%
IADL_4	1,397.48	36.8%	17.5%	25.0%	35.4%	36.8%	42.1%	31.3%	24.5%	44.6%	26.8%	43.3%	14.3%	24.7%
IADL_5	1,715.27	31.6%	57.9%	50.0%	27.5%	31.6%	30.1%	25.0%	17.4%	38.7%	23.5%	43.9%	53.6%	44.7%
Specific ADLs / Equipment Used (Add-On)														
Eating_1	121.07	5.3%	5.3%	0.0%	9.3%	5.3%	6.9%	6.3%	5.8%	11.1%	10.1%	17.4%	7.1%	7.7%
Eating_2	460.53	15.8%	35.1%	0.0%	19.9%	15.8%	27.1%	6.3%	14.5%	14.9%	6.7%	27.4%	28.6%	17.0%
Bathing_2	268.63	47.4%	50.9%	25.0%	39.4%	47.4%	43.3%	25.0%	29.0%	48.0%	36.9%	46.6%	53.6%	37.0%
Transfer_2	565.49	10.5%	31.6%	0.0%	23.1%	10.5%	28.5%	6.3%	17.4%	24.1%	13.4%	28.4%	28.6%	20.0%
Interaction Terms (Add-On)														
Brain_Other	330.85	5.3%	3.5%	0.0%	2.0%	5.3%	3.7%	6.3%	0.0%	0.0%	0.0%	1.8%	3.6%	0.0%
Other Federal DD_Bipolar	289.40	0.0%	1.8%	0.0%	1.2%	0.0%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Autism_Alcohol	664.80	0.0%	1.8%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.5%
Behaviors_Autism	1,398.71	5.3%	8.8%	0.0%	0.0%	5.3%	3.2%	0.0%	0.0%	1.9%	3.4%	18.6%	14.3%	0.0%
Injury_Age Under 30	2,327.54	0.0%	1.8%	0.0%	0.0%	0.0%	1.4%	0.0%	2.9%	0.0%	3.4%	5.6%	3.6%	0.0%
Injury_Mental Illness	1,731.13	0.0%	0.0%	0.0%	0.8%	0.0%	2.3%	0.0%	0.0%	1.5%	0.0%	13.7%	0.0%	0.0%
Intellectually Disabled_Bipolar	561.56	5.3%	5.3%	0.0%	1.6%	5.3%	3.7%	12.5%	2.9%	9.3%	3.4%	10.1%	3.6%	7.7%
Intellectually Disabled_Other Mental Illness	581.51	10.5%	19.3%	25.0%	5.9%	10.5%	10.9%	18.8%	11.6%	11.1%	6.7%	16.5%	3.6%	13.9%
Mental_Schizophrenia	300.80	0.0%	5.3%	0.0%	1.6%	0.0%	9.5%	31.3%	2.9%	7.1%	6.7%	14.6%	0.0%	17.0%
Seizure Pre-22_Depression	213.59	5.3%	12.3%	0.0%	9.0%	5.3%	6.5%	6.3%	14.5%	9.3%	13.4%	2.7%	3.6%	4.6%
Trauma BI Post-22_Other Mental Illness	374.17	5.3%	7.0%	0.0%	3.6%	5.3%	7.9%	0.0%	14.5%	14.9%	0.0%	8.2%	3.6%	10.8%
Dress_Bath	483.90	63.2%	63.2%	50.0%	62.6%	63.2%	50.9%	31.3%	39.0%	75.9%	46.9%	50.3%	53.6%	61.7%
Transfer_Equip_Mobility	638.73	5.3%	17.5%	0.0%	8.8%	5.3%	7.9%	0.0%	2.9%	7.4%	3.4%	8.2%	14.3%	4.6%
Behavioral Variables (Add-On)														
Injury_1	379.00	0.0%	5.3%	0.0%	5.5%	0.0%	3.7%	0.0%	5.8%	0.0%	10.1%	1.8%	7.1%	1.5%
Injury_2	540.39	0.0%	8.8%	0.0%	0.8%	0.0%	2.3%	0.0%	0.0%	5.6%	0.0%	6.7%	10.7%	1.5%
Offensive_1-3	1,203.56	31.6%	24.6%	0.0%	12.6%	31.6%	16.4%	12.5%	17.4%	20.4%	13.4%	52.4%	21.4%	12.3%
Wander_2	1,984.54	0.0%	1.8%	0.0%	1.6%	0.0%	4.2%	6.3%	2.9%	5.6%	0.0%	11.0%	0.0%	0.0%
Mental Health_2	168.99	57.9%	73.7%	75.0%	71.7%	57.9%	65.3%	68.8%	81.3%	72.1%	83.2%	70.7%	82.1%	76.9%
Resistive_1	679.34	0.0%	7.0%	0.0%	4.7%	0.0%	5.6%	6.3%	11.6%	7.4%	3.4%	17.4%	3.6%	3.1%
Medication Use (Add-On)														
Meds_2B	428.69	89.5%	78.9%	100.0%	66.8%	89.5%	82.4%	93.8%	62.2%	94.4%	63.7%	88.1%	85.7%	81.7%
Health Related Services (Add-On)														
Exercise	352.05	31.6%	29.8%	0.0%	16.9%	31.6%	8.8%	12.5%	11.6%	5.6%	3.4%	13.7%	7.1%	0.0%
Tube Feedings	439.92	0.0%	10.5%	0.0%	3.3%	0.0%	4.6%	0.0%	5.8%	0.0%	0.0%	6.4%	7.1%	4.6%
Respirate	231.18	10.5%	1.8%	0.0%	5.5%	10.5%	8.8%	6.3%	11.6%	1.5%	0.0%	5.4%	14.3%	7.7%
Ostomy	719.72	0.0%	0.0%	0.0%	1.2%	0.0%	0.9%	0.0%	0.0%	1.9%	3.4%	1.8%	0.0%	1.5%
Urinary	538.94	5.3%	0.0%	0.0%	1.6%	5.3%	0.5%	6.3%	0.0%	3.4%	0.0%	0.9%	7.1%	1.5%
Tracheostomy	3,043.59	0.0%	1.8%	0.0%	0.2%	0.0%	0.9%	0.0%	0.0%	0.0%	0.0%	0.9%	3.6%	0.0%
Reposition	590.26	10.5%	21.1%	0.0%	9.8%	10.5%	9.7%	6.3%	8.7%	5.6%	6.7%	9.1%	14.3%	6.2%
Incidents														
Incidents_0	0.00	100.0%	94.7%	100.0%	96.9%	100.0%	95.1%	93.8%	88.4%	96.3%	100.0%	89.9%	92.9%	98.5%
Incidents_1	846.02	0.0%	1.8%	0.0%	3.1%	0.0%	3.0%	6.3%	11.6%	3.7%	0.0%	6.4%	7.1%	1.5%
Incidents_2	1,935.50	0.0%	1.8%	0.0%	0.0%	0.0%	1.9%	0.0%	0.0%	0.0%	0.0%	3.7%	0.0%	0.0%
Incidents_3+	3,245.95	0.0%	1.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
MCO / GSR Developmentally Disabled Composite		\$3,579.31	\$4,375.10	\$2,765.53	\$3,166.11	\$3,579.31	\$3,711.53	\$3,148.22	\$3,181.21	\$3,859.95	\$2,826.95	\$5,290.16	\$4,086.13	\$3,294.14
GSR Developmentally Disabled Composite		\$3,579.31	\$4,375.10	\$2,819.69	\$3,167.91	\$3,579.31	\$4,241.94	\$3,265.27	\$3,167.91	\$3,859.95	\$2,819.69	\$4,241.94	\$4,086.13	\$3,265.27
MCO / GSR Experience Credibility Weight		43.6%	75.5%	20.0%	100.0%	0.0%	100.0%	40.0%	58.7%	73.4%	54.6%	100.0%	52.9%	80.5%
Final Blended Developmentally Disabled Composite	\$3,733.99	\$3,579.31	\$4,375.10	\$2,808.85	\$3,166.11	\$3,579.31	\$3,711.53	\$3,218.45	\$3,175.71	\$3,859.95	\$2,823.65	\$5,290.16	\$4,086.13	\$3,288.52
Preliminary Blended Developmentally Disabled Risk Score		0.9586	1.1717	0.7522	0.8479	0.9586	0.9940	0.8619	0.8505	1.0337	0.7562	1.4168	1.0943	0.8807
Family Care Partnership Acuity Adjustment		0.9932	0.9932	0.9932	0.9932	0.9932	0.9932	0.9932	0.9932	0.9932	0.9932	0.9932	0.9932	0.9932
Final Blended Developmentally Disabled Risk Score		0.9521	1.1637	0.7471	0.8422	0.9521	0.9872	0.8561	0.8447	1.0267	0.7511	1.4071	1.0869	0.8747

Exhibit F2
 Wisconsin Department of Health Services
 CY 2020 Partnership / PACE Capitation Rate Development
 MCO / GSR Functional Screen Attribute Distribution for Family Care Partnership / PACE - June 2019 Enrollment
 Physically Disabled

Variable	Statewide Estimate	MCFCI / Care WI (GSR 3)	MCFCI / Care WI (GSR 5)	MCFCI / Care WI (GSR 6)	MCFCI / Care WI (GSR 12)	ICare (GSR 3)	ICare (GSR 8)	ICare (GSR 11)	ICare (GSR 12)	CCHP - PACE	CCHP (GSR 6)	CCHP (GSR 8)	CCHP (GSR 10)	CCHP (GSR 11)
Intercept (Grid Component)	816.00	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
DD/NH Level of Care (Grid Component)														
Vent Dependent	8,772.27	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
SNF	587.46	50.0%	21.3%	33.3%	17.2%	50.0%	18.5%	25.2%	13.2%	22.4%	26.0%	39.8%	22.5%	31.1%
Number of IADLs (Grid Component)														
IADL_1	0.00	8.3%	17.0%	33.3%	20.0%	8.3%	13.1%	25.2%	19.7%	10.2%	6.7%	3.6%	11.2%	17.8%
IADL_2	232.30	16.7%	29.8%	33.3%	30.2%	16.7%	26.1%	31.5%	35.2%	30.6%	20.0%	16.2%	28.8%	29.4%
IADL_3	561.80	25.0%	14.9%	33.3%	23.2%	25.0%	26.2%	11.8%	22.3%	14.3%	26.7%	20.2%	33.7%	15.2%
IADL_4	946.20	41.7%	29.8%	0.0%	17.8%	41.7%	26.0%	31.5%	13.2%	30.6%	33.3%	39.3%	26.2%	32.5%
IADL_5	1,163.77	8.3%	8.5%	0.0%	8.9%	8.3%	8.6%	0.0%	9.6%	14.3%	13.3%	20.7%	0.0%	5.1%
Specific ADLs / Equipment Used (Add-On)														
Eating_2	147.10	0.0%	6.4%	0.0%	6.7%	0.0%	7.4%	0.0%	5.3%	2.0%	3.3%	9.1%	0.0%	0.0%
Bathing_2	351.82	41.7%	38.3%	0.0%	26.7%	41.7%	22.3%	18.9%	25.4%	20.4%	10.8%	29.3%	17.6%	22.4%
Transfer_2	915.19	16.7%	19.1%	33.3%	17.0%	16.7%	19.4%	12.6%	16.7%	16.3%	14.1%	32.4%	7.5%	20.3%
Interaction Terms (Add-On)														
Injury_Mental Illness	1,283.71	0.0%	2.1%	0.0%	0.2%	0.0%	0.6%	0.0%	0.0%	2.0%	0.0%	1.0%	0.0%	0.0%
Mental Illness_3 or More Mental Disorders	148.90	8.3%	19.1%	33.3%	15.6%	8.3%	17.6%	6.3%	17.3%	12.2%	26.6%	24.3%	25.1%	30.6%
Spinal Injury_Alcohol/Drug Abuse	526.63	0.0%	0.0%	0.0%	0.6%	0.0%	0.9%	0.0%	1.8%	2.0%	3.3%	2.0%	0.0%	0.0%
Dress_Bath	220.47	66.7%	78.7%	66.7%	65.1%	66.7%	68.2%	44.1%	64.4%	75.5%	54.1%	60.6%	48.7%	53.9%
Vent Dependent_Tracheostomy	2,964.52	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Transfer_Equip_Mobility	560.88	16.7%	6.4%	0.0%	5.9%	16.7%	2.3%	6.3%	6.1%	6.1%	3.3%	10.1%	0.0%	7.6%
Behavioral Variables (Add-On)														
Cognition_2	318.28	16.7%	12.8%	33.3%	9.9%	16.7%	18.0%	24.4%	6.1%	34.7%	30.0%	37.9%	11.2%	22.4%
Cognition_3	502.74	8.3%	6.4%	0.0%	3.1%	8.3%	5.3%	0.0%	3.5%	10.2%	3.3%	13.1%	3.7%	0.0%
Offensive_1-3	806.91	8.3%	8.5%	0.0%	2.7%	8.3%	3.0%	0.0%	4.4%	6.1%	10.0%	10.6%	3.7%	0.0%
Wander_2	307.39	16.7%	0.0%	0.0%	0.8%	16.7%	0.0%	0.0%	0.9%	2.0%	0.0%	1.0%	0.0%	2.0%
Mental Health_2	76.58	91.7%	87.2%	100.0%	78.7%	91.7%	68.0%	50.4%	81.2%	71.4%	89.2%	79.4%	77.5%	89.0%
Alcohol Drug Abuse	101.41	50.0%	42.6%	0.0%	24.4%	50.0%	20.9%	18.1%	33.9%	26.5%	30.0%	29.3%	28.8%	21.3%
Health Related Services (Add-On)														
Exercise	232.04	41.7%	31.9%	0.0%	17.6%	41.7%	5.1%	12.6%	10.5%	8.2%	10.0%	14.2%	3.7%	0.0%
Ulcer Stage 2	816.65	8.3%	4.3%	0.0%	1.2%	8.3%	0.6%	0.0%	1.8%	0.0%	0.0%	1.0%	0.0%	0.0%
Ulcer Stage 3-4	983.02	0.0%	0.0%	33.3%	1.6%	0.0%	2.1%	6.3%	2.6%	0.0%	2.7%	5.1%	0.0%	5.1%
Respirate	166.07	16.7%	10.6%	0.0%	6.1%	16.7%	4.8%	0.0%	3.5%	2.0%	3.3%	9.9%	3.7%	10.2%
Urinary	588.25	0.0%	2.1%	0.0%	3.3%	0.0%	1.2%	0.0%	2.6%	0.0%	0.0%	5.1%	0.0%	0.0%
Wound	380.98	8.3%	10.6%	0.0%	3.9%	8.3%	2.4%	12.6%	2.6%	8.2%	3.3%	7.6%	3.7%	2.5%
Tracheostomy	2,973.89	0.0%	0.0%	0.0%	0.6%	0.0%	0.0%	0.0%	0.9%	0.0%	0.0%	1.0%	0.0%	0.0%
Reposition	878.38	16.7%	10.6%	33.3%	7.2%	16.7%	5.3%	6.3%	7.0%	8.2%	6.7%	19.2%	0.0%	5.1%
Diagnoses (Add-On)														
Alzheimers	268.97	41.7%	10.6%	0.0%	8.4%	41.7%	6.5%	6.3%	7.0%	18.4%	12.7%	16.2%	18.7%	10.2%
Incidents														
Incidents_0	0.00	83.3%	95.7%	100.0%	98.6%	83.3%	97.9%	100.0%	97.4%	98.0%	96.7%	96.0%	96.3%	100.0%
Incidents_1	611.20	16.7%	4.3%	0.0%	1.2%	16.7%	1.8%	0.0%	1.8%	2.0%	3.3%	3.0%	0.0%	0.0%
Incidents_2+	1,222.96	0.0%	0.0%	0.0%	0.2%	0.0%	0.3%	0.0%	0.9%	0.0%	0.0%	1.0%	3.7%	0.0%
MCO / GSR Physically Disabled Composite		\$3,250.94	\$2,638.26	\$2,581.34	\$2,251.50	\$3,250.94	\$2,267.59	\$2,071.49	\$2,194.02	\$2,521.39	\$2,474.01	\$3,281.86	\$2,026.42	\$2,306.57
GSR Physically Disabled Composite		\$3,250.94	\$2,638.26	\$2,483.76	\$2,241.05	\$3,250.94	\$2,498.44	\$2,239.04	\$2,241.05	\$2,521.39	\$2,483.76	\$2,498.44	\$2,026.42	\$2,239.04
MCO / GSR Experience Credibility Weight		34.6%	68.6%	17.3%	100.0%	0.0%	100.0%	39.8%	100.0%	70.0%	54.8%	99.4%	51.7%	62.7%
Final Blended Physically Disabled Composite	\$2,358.75	\$3,250.94	\$2,638.26	\$2,500.66	\$2,251.50	\$3,250.94	\$2,267.59	\$2,172.30	\$2,194.02	\$2,521.39	\$2,478.42	\$3,277.53	\$2,026.42	\$2,281.41
Preliminary Blended Physically Disabled Risk Score		1.3782	1.1185	1.0602	0.9545	1.3782	0.9614	0.9210	0.9302	1.0690	1.0507	1.3895	0.8591	0.9672
Family Care Partnership Acuity Adjustment		0.9503	0.9503	0.9503	0.9503	0.9503	0.9503	0.9503	0.9503	0.9503	0.9503	0.9503	0.9503	0.9503
Final Blended Physically Disabled Risk Score		1.3097	1.0629	1.0075	0.9071	1.3097	0.9136	0.8752	0.8839	1.0158	0.9985	1.3204	0.8164	0.9191

Exhibit F3
 Wisconsin Department of Health Services
 CY 2020 Partnership / PACE Capitation Rate Development
 MCO / GSR Functional Screen Attribute Distribution for Family Care Partnership / PACE - June 2019 Enrollment
 Frail Elderly

Variable	Statewide Estimate	MCFCI / Care WI (GSR 3)	MCFCI / Care WI (GSR 5)	MCFCI / Care WI (GSR 6)	MCFCI / Care WI (GSR 12)	ICare (GSR 3)	ICare (GSR 8)	ICare (GSR 11)	ICare (GSR 12)	CCHP - PACE	CCHP (GSR 6)	CCHP (GSR 8)	CCHP (GSR 10)	CCHP (GSR 11)
Intercept (Grid Component)	660.39	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
DD / NH Level of Care (Grid Component)														
Vent Dependent	4,695.34	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%
SNF	403.54	24.3%	28.5%	22.2%	17.3%	24.3%	18.8%	33.3%	18.6%	23.3%	25.2%	26.1%	29.9%	24.0%
Number of IADLs (Grid Component)														
IADL_1	0.00	3.0%	10.3%	0.0%	7.5%	3.0%	19.4%	6.7%	20.5%	3.0%	0.0%	5.3%	2.3%	8.0%
IADL_2	297.15	9.1%	10.6%	11.1%	15.5%	9.1%	24.2%	20.0%	21.0%	9.9%	14.0%	5.3%	2.3%	14.0%
IADL_3	601.43	18.2%	13.6%	22.2%	16.2%	18.2%	20.2%	6.7%	8.0%	12.5%	20.8%	5.3%	20.1%	14.0%
IADL_4-5	1,007.91	69.7%	65.5%	66.7%	60.9%	69.7%	36.3%	66.7%	50.5%	74.6%	65.2%	84.2%	75.4%	64.0%
Specific ADLs / Equipment Used (Add-On)														
Transfer_2	671.75	36.4%	25.6%	22.2%	23.7%	36.4%	16.1%	20.0%	18.6%	28.3%	29.6%	39.3%	18.9%	18.0%
Bath_Position	176.64	93.9%	95.4%	88.9%	92.0%	93.9%	80.6%	100.0%	83.1%	89.0%	94.1%	76.5%	91.3%	92.0%
Interaction Terms (Add-On)														
Dress_Toilet	392.80	77.2%	62.0%	44.4%	57.7%	77.2%	47.6%	33.3%	51.7%	55.9%	63.7%	60.4%	55.1%	56.0%
Injury_Mental Illness	594.41	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%
Seizure_Post-22_Other	375.13	0.0%	0.0%	0.0%	0.8%	0.0%	0.8%	0.0%	1.1%	0.9%	0.0%	0.0%	2.3%	4.0%
Transfer_Equip_Mobility	669.37	24.3%	14.4%	11.1%	8.3%	24.3%	4.0%	13.3%	7.3%	9.1%	8.9%	15.6%	6.8%	12.0%
Behavioral Variables (Add-On)														
Cognition_2	204.65	28.7%	36.3%	22.2%	26.0%	28.7%	18.5%	33.3%	19.9%	36.7%	35.6%	34.3%	24.9%	32.0%
Cognition_3	308.32	3.0%	14.4%	11.1%	9.7%	3.0%	6.9%	20.0%	10.7%	23.4%	5.9%	31.7%	13.6%	16.0%
Offensive_1-3	262.28	12.1%	11.3%	0.0%	4.3%	12.1%	2.4%	13.3%	6.1%	8.3%	5.9%	13.2%	0.0%	6.0%
Mental Health_2	138.59	63.6%	67.9%	77.8%	65.7%	63.6%	53.2%	80.0%	62.4%	52.2%	80.7%	58.0%	84.2%	68.0%
Alcohol Drug Abuse	140.13	3.0%	15.9%	0.0%	11.1%	3.0%	10.5%	6.7%	11.9%	6.7%	8.9%	13.2%	2.3%	14.0%
Health Related Services (Add-On)														
Dialysis	163.41	3.0%	0.0%	0.0%	0.5%	3.0%	4.6%	0.0%	0.0%	1.3%	3.0%	2.6%	4.5%	0.0%
Exercise	238.23	30.3%	26.9%	0.0%	12.3%	30.3%	4.0%	0.0%	8.0%	10.6%	4.4%	13.2%	9.0%	2.0%
Ulcer Stage 2	310.67	0.0%	1.1%	0.0%	0.9%	0.0%	0.4%	0.0%	3.4%	1.2%	0.0%	2.6%	0.0%	0.0%
Ulcer Stage 3-4	896.98	3.0%	2.3%	0.0%	0.7%	3.0%	0.8%	0.0%	0.0%	1.3%	4.4%	2.6%	4.5%	4.0%
Respirate	129.07	9.1%	6.8%	0.0%	7.5%	9.1%	4.0%	6.7%	5.0%	7.6%	11.9%	7.9%	13.6%	12.0%
Urinary	288.26	0.0%	1.1%	0.0%	1.1%	0.0%	0.4%	0.0%	2.3%	0.7%	1.5%	2.6%	2.3%	0.0%
Wound	211.91	6.1%	5.7%	0.0%	1.8%	6.1%	2.8%	6.7%	1.8%	5.8%	3.0%	7.8%	6.8%	0.0%
Tracheostomy	1,768.76	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%
Reposition	532.00	24.3%	11.0%	0.0%	5.5%	24.3%	3.2%	13.3%	8.0%	14.1%	13.3%	15.8%	6.8%	6.0%
Diagnoses (Add-On)														
Alzheimers	160.40	30.2%	43.1%	44.4%	37.5%	30.2%	22.6%	60.0%	38.5%	55.9%	31.1%	52.8%	55.1%	56.0%
Mental Illness	165.53	25.8%	21.6%	33.3%	22.0%	25.8%	23.2%	20.0%	12.5%	20.2%	37.1%	23.7%	13.6%	36.0%
Incidents														
Incidents_0	0.00	100.0%	97.7%	100.0%	99.6%	100.0%	98.0%	100.0%	98.9%	99.1%	100.0%	100.0%	100.0%	100.0%
Incidents_1+	559.76	0.0%	2.3%	0.0%	0.4%	0.0%	2.0%	0.0%	1.1%	0.9%	0.0%	0.0%	0.0%	0.0%
MCO / GSR Frail Elderly Composite		\$3,014.96	\$2,782.04	\$2,457.92	\$2,491.77	\$3,014.96	\$2,057.08	\$2,605.63	\$2,253.01	\$2,793.33	\$2,755.49	\$3,014.09	\$2,693.85	\$2,608.71
GSR Frail Elderly Composite		\$3,014.96	\$2,782.04	\$2,720.46	\$2,469.79	\$3,014.96	\$2,183.96	\$2,608.00	\$2,469.79	\$2,793.33	\$2,720.46	\$2,183.96	\$2,693.85	\$2,608.00
MCO / GSR Experience Credibility Weight		57.4%	93.6%	30.0%	100.0%	0.0%	100.0%	38.7%	93.7%	100.0%	82.1%	61.6%	66.5%	70.7%
Final Blended Frail Elderly Composite	\$2,538.32	\$3,014.96	\$2,782.04	\$2,641.70	\$2,491.77	\$3,014.96	\$2,057.08	\$2,607.08	\$2,266.66	\$2,793.33	\$2,749.23	\$2,695.01	\$2,693.85	\$2,608.50
Preliminary Blended Frail Elderly Risk Score		1.1878	1.0960	1.0407	0.9817	1.1878	0.8104	1.0271	0.8930	1.1005	1.0831	1.0617	1.0613	1.0276
Family Care Partnership Acuity Adjustment		0.9638	0.9638	0.9638	0.9638	0.9638	0.9638	0.9638	0.9638	0.9638	0.9638	0.9638	0.9638	0.9638
Final Blended Frail Elderly Risk Score		1.1448	1.0564	1.0031	0.9461	1.1448	0.7811	0.9899	0.8607	1.0606	1.0439	1.0233	1.0229	0.9905

Exhibit G1
Wisconsin Department of Health Services
CY 2020 Partnership / PACE Capitation Rate Development
Development of Service Portion of LTC Rate

DD Development	(A) (B) (C) (D) = (A) x (B) x (C)				
	MCO / GSR Specific Base Rate Development				
	2020 Exposure Months	FC Statewide DD Base Costs	FCP Experience Adjustment Factor	FCP Risk Score - June 2019 Enrollment	
MCFCI / Care WI (GSR 3)	210	\$3,709.06	1.1300	0.9521	\$3,990.49
MCFCI / Care WI (GSR 5)	751	3,709.06	1.1300	1.1637	4,877.69
MCFCI / Care WI (GSR 6)	63	3,709.06	1.1300	0.7471	3,131.53
MCFCI / Care WI (GSR 12)	3,191	3,709.06	1.1300	0.8422	3,529.83
iCare (GSR 3)	21	3,709.06	1.1300	0.9521	3,990.49
iCare (GSR 8)	2,540	3,709.06	1.1300	0.9872	4,137.90
iCare (GSR 11)	224	3,709.06	1.1300	0.8561	3,588.18
iCare (GSR 12)	419	3,709.06	1.1300	0.8447	3,540.53
CCHP - PACE	870	3,709.06	1.1300	1.0267	4,303.37
CCHP (GSR 6)	385	3,709.06	1.1300	0.7511	3,148.02
CCHP (GSR 8)	1,444	3,709.06	1.1300	1.4071	5,897.87
CCHP (GSR 10)	448	3,709.06	1.1300	1.0869	4,555.53
CCHP (GSR 11)	747	3,709.06	1.1300	0.8747	3,666.30
Total DD Cohort	11,315	\$3,709.06	1.1300	0.9932	\$4,162.94

(E1) (E2) (E3) (E4) (E5) (E6) (E7) (F) = (D) x (E)										
Projection to CY 2020										
2020 DD Adjustment Factors										
Two-Year Utilization Trend	Two-Year Unit Cost Trend	Two-Year Acuity Trend	Geographic Adjustment Factor	Nursing Home Rate Increase	Personal Care Rate Increase	Provider Reimbursement Increase	DME Adjustment	Projected Per Capita Monthly Costs		
0.9918	0.9939	1.0404	0.9488	1.0037	1.0003	1.0088	0.9994	\$3,930.52		
0.9918	0.9939	1.0404	0.9488	1.0018	1.0003	1.0088	0.9994	4,795.09		
0.9918	0.9939	1.0404	1.0195	1.0018	1.0003	1.0088	0.9994	3,307.95		
0.9918	0.9939	1.0404	1.0320	1.0004	1.0003	1.0000	0.9994	3,736.44		
0.9918	0.9939	1.0404	0.9488	1.0037	1.0003	1.0088	0.9994	3,930.52		
0.9918	0.9939	1.0404	1.0044	1.0041	1.0003	1.0088	0.9994	4,315.94		
0.9918	0.9939	1.0404	1.0195	1.0022	1.0003	1.0088	0.9994	3,791.82		
0.9918	0.9939	1.0404	1.0320	1.0004	1.0003	1.0000	0.9994	3,747.77		
0.9918	0.9939	1.0404	1.0044	1.0041	1.0003	1.0088	0.9994	4,488.53		
0.9918	0.9939	1.0404	1.0195	1.0018	1.0003	1.0088	0.9994	3,325.38		
0.9918	0.9939	1.0404	1.0044	1.0041	1.0003	1.0088	0.9994	6,151.65		
0.9918	0.9939	1.0404	0.9770	1.0015	1.0003	1.0088	0.9994	4,610.14		
0.9918	0.9939	1.0404	1.0195	1.0022	1.0003	1.0088	0.9994	3,874.37		
0.9918	0.9939	1.0404	1.0068	1.0026	1.0003	1.0063	0.9994	\$4,335.76		

PD Development	(A) (B) (C) (D) = (A) x (B) x (C)				
	MCO / GSR Specific Base Rate Development				
	2020 Exposure Months	FC Statewide PD Base Costs	FCP Experience Adjustment Factor	FCP Risk Score - June 2019 Enrollment	
MCFCI / Care WI (GSR 3)	166	\$2,481.18	1.1300	1.3097	\$3,672.25
MCFCI / Care WI (GSR 5)	641	2,481.18	1.1300	1.0629	2,922.62
MCFCI / Care WI (GSR 6)	66	2,481.18	1.1300	1.0075	2,824.74
MCFCI / Care WI (GSR 12)	6,455	2,481.18	1.1300	0.9071	2,543.29
iCare (GSR 3)	21	2,481.18	1.1300	1.3097	3,672.25
iCare (GSR 8)	4,413	2,481.18	1.1300	0.9136	2,561.46
iCare (GSR 11)	267	2,481.18	1.1300	0.8752	2,453.82
iCare (GSR 12)	1,615	2,481.18	1.1300	0.8839	2,478.36
CCHP - PACE	579	2,481.18	1.1300	1.0158	2,848.16
CCHP (GSR 6)	421	2,481.18	1.1300	0.9985	2,799.61
CCHP (GSR 8)	1,148	2,481.18	1.1300	1.3204	3,702.29
CCHP (GSR 10)	321	2,481.18	1.1300	0.8164	2,289.04
CCHP (GSR 11)	487	2,481.18	1.1300	0.9191	2,577.07
Total PD Cohort	16,600	\$2,481.18	1.1300	0.9593	\$2,664.44

(E1) (E2) (E3) (E4) (E5) (E6) (E7) (F) = (D) x (E)										
Projection to CY 2020										
2020 PD Adjustment Factors										
Two-Year Utilization Trend	Two-Year Unit Cost Trend	Two-Year Acuity Trend	Geographic Adjustment Factor	Nursing Home Rate Increase	Personal Care Rate Increase	Provider Reimbursement Increase	DME Adjustment	Projected Per Capita Monthly Costs		
1.0266	0.9999	0.9940	0.9498	1.0069	1.0011	1.0070	0.9978	\$3,604.82		
1.0266	0.9999	0.9940	0.9498	1.0060	1.0011	1.0070	0.9978	2,922.62		
1.0266	0.9999	0.9940	1.0206	1.0094	1.0011	1.0070	0.9978	2,986.88		
1.0266	0.9999	0.9940	1.0320	1.0043	1.0011	1.0000	0.9978	2,686.65		
1.0266	0.9999	0.9940	0.9498	1.0069	1.0011	1.0070	0.9978	3,604.82		
1.0266	0.9999	0.9940	1.0054	1.0093	1.0011	1.0070	0.9978	2,667.97		
1.0266	0.9999	0.9940	1.0206	1.0099	1.0011	1.0070	0.9978	2,596.10		
1.0266	0.9999	0.9940	1.0320	1.0043	1.0011	1.0000	0.9978	2,618.06		
1.0266	0.9999	0.9940	1.0054	1.0093	1.0011	1.0070	0.9978	2,966.58		
1.0266	0.9999	0.9940	1.0206	1.0094	1.0011	1.0070	0.9978	2,960.31		
1.0266	0.9999	0.9940	1.0054	1.0093	1.0011	1.0070	0.9978	3,856.23		
1.0266	0.9999	0.9940	0.9780	1.0115	1.0011	1.0070	0.9978	2,324.31		
1.0266	0.9999	0.9940	1.0206	1.0099	1.0011	1.0070	0.9978	2,726.50		
1.0266	0.9999	0.9940	1.0151	1.0068	1.0011	1.0037	0.9978	\$2,785.96		

FE Development	(A) (B) (C) (D) = (A) x (B) x (C)				
	MCO / GSR Specific Base Rate Development				
	2020 Exposure Months	FC Statewide FE Base Costs	FCP Experience Adjustment Factor	FCP Risk Score - June 2019 Enrollment	
MCFCI / Care WI (GSR 3)	436	\$2,588.12	1.1300	1.1448	\$3,348.17
MCFCI / Care WI (GSR 5)	1,156	2,588.12	1.1300	1.0564	3,089.51
MCFCI / Care WI (GSR 6)	181	2,588.12	1.1300	1.0031	2,933.66
MCFCI / Care WI (GSR 12)	10,856	2,588.12	1.1300	0.9461	2,767.16
iCare (GSR 3)	24	2,588.12	1.1300	1.1448	3,348.17
iCare (GSR 8)	3,024	2,588.12	1.1300	0.7811	2,284.42
iCare (GSR 11)	271	2,588.12	1.1300	0.9899	2,895.21
iCare (GSR 12)	1,110	2,588.12	1.1300	0.8607	2,517.17
CCHP - PACE	5,299	2,588.12	1.1300	1.0606	3,102.04
CCHP (GSR 6)	847	2,588.12	1.1300	1.0439	3,053.07
CCHP (GSR 8)	390	2,588.12	1.1300	1.0233	2,992.86
CCHP (GSR 10)	563	2,588.12	1.1300	1.0229	2,991.57
CCHP (GSR 11)	652	2,588.12	1.1300	0.9905	2,896.79
Total FE Cohort	24,808	\$2,588.12	1.1300	0.9638	\$2,818.85

(E1) (E2) (E3) (E4) (E5) (E6) (E7) (E8) (F) = (D) x (E)										
Projection to CY 2020										
2020 FE Adjustment Factors										
Two-Year Utilization Trend	Two-Year Unit Cost Trend	Two-Year Acuity Trend	Geographic Adjustment Factor	Nursing Home Rate Increase	Personal Care Rate Increase	Provider Reimbursement Increase	DME Adjustment	Projected Per Capita Monthly Costs		
0.9923	1.0093	1.0040	0.9509	1.0229	1.0003	1.0064	0.9990	\$3,293.80		
0.9923	1.0093	1.0040	0.9509	1.0092	1.0003	1.0064	0.9990	2,998.65		
0.9923	1.0093	1.0040	1.0219	1.0150	1.0003	1.0064	0.9990	3,077.34		
0.9923	1.0093	1.0040	1.0320	1.0062	1.0003	1.0000	0.9990	2,887.43		
0.9923	1.0093	1.0040	0.9509	1.0229	1.0003	1.0064	0.9990	3,293.80		
0.9923	1.0093	1.0040	1.0066	1.0185	1.0003	1.0064	0.9990	2,368.80		
0.9923	1.0093	1.0040	1.0219	1.0097	1.0003	1.0064	0.9990	3,021.16		
0.9923	1.0093	1.0040	1.0320	1.0062	1.0003	1.0000	0.9990	2,626.57		
0.9923	1.0093	1.0040	1.0066	1.0185	1.0003	1.0064	0.9990	3,216.62		
0.9923	1.0093	1.0040	1.0219	1.0150	1.0003	1.0064	0.9990	3,202.61		
0.9923	1.0093	1.0040	1.0066	1.0185	1.0003	1.0064	0.9990	3,103.41		
0.9923	1.0093	1.0040	0.9792	1.0092	1.0003	1.0064	0.9990	2,990.03		
0.9923	1.0093	1.0040	1.0219	1.0097	1.0003	1.0064	0.9990	3,022.81		
0.9923	1.0093	1.0040	1.0151	1.0116	1.0003	1.0034	0.9990	\$2,918.44		

Composite Development	(A) (B) (C) (D) = (A) x (B) x (C)				
	MCO / GSR Specific Base Rate Development				
	2020 Exposure Months	FC Statewide Composite Base Costs	FCP Experience Adjustment Factor	FCP Risk Score - June 2019 Enrollment	
MCFCI / Care WI (GSR 3)	810	\$2,856.25	1.1300	1.1094	\$3,580.70
MCFCI / Care WI (GSR 5)	2,548	2,891.60	1.1300	1.0984	3,589.03
MCFCI / Care WI (GSR 6)	310	2,793.35	1.1300	0.9348	2,950.81
MCFCI / Care WI (GSR 12)	20,502	2,728.94	1.1300	0.9130	2,815.40
iCare (GSR 3)	66	2,902.92	1.1300	1.1136	3,653.22
iCare (GSR 8)	9,978	2,826.22	1.1300	0.9014	2,878.88
iCare (GSR 11)	763	2,880.27	1.1300	0.9046	2,944.28
iCare (GSR 12)	3,144	2,682.68	1.1300	0.8688	2,633.71
CCHP - PACE	6,748	2,723.50	1.1300	1.0512	3,235.18
CCHP (GSR 6)	1,654	2,822.19	1.1300	0.9440	3,010.67
CCHP (GSR 8)	2,983	3,089.77	1.1300	1.3383	4,672.72
CCHP (GSR 10)	1,332	2,939.63	1.1300	1.0080	3,348.61
CCHP (GSR 11)	1,885	3,004.64	1.1300	0.9186	3,119.14
Grand Total	52,723	\$2,795.02	1.1300	0.9684	\$3,058.69

(E1) (E2) (E3) (E4) (E5) (E6) (E7) (E8) (F) = (D) x (E)										
Projection to CY 2020										
2020 Composite Adjustment Factors										
Two-Year Utilization Trend	Two-Year Unit Cost Trend	Two-Year Acuity Trend	Geographic Adjustment Factor	Nursing Home Rate Increase	Personal Care Rate Increase	Provider Reimbursement Increase	DME Adjustment	Projected Per Capita Monthly Costs		
0.9994	1.0029	1.0122	0.9501	1.0140	1.0005	1.0072	0.9989	\$3,522.21		
0.9993	1.0012	1.0162	0.9498	1.0055	1.0005	1.0075	0.9989	3,508.98		
0.9992	1.0041	1.0096	1.0211	1.0110	1.0005	1.0070	0.9989	3,105.06		
1.0020	1.0036	1.0081	1.0320	1.0045	1.0005	1.0000	0.9988	2,956.38		
1.0033	1.0010	1.0128	0.9498	1.0111	1.0006	1.0074	0.9988	3,592.88		
1.00										

Exhibit G2
Wisconsin Department of Health Services
CY 2020 Partnership / PACE Capitation Rate Development
Development of Service Portion of LTC Rate

DD Development	(B) Application of HCRP			Market Variability Adjustment	(E) = (C) x (D)
	(A)		(C) = (A) + (B)		
	Projected Per Capita Monthly Costs	HCRP Pooled Claims	Projected Per Capita Monthly LTC Costs w / HCRP		
MCFCI / Care WI (GSR 3)	\$3,930.52	\$139.53	\$4,070.05	0.9773	\$3,977.66
MCFCI / Care WI (GSR 5)	4,795.09	139.53	4,934.62	0.9773	4,822.60
MCFCI / Care WI (GSR 6)	3,307.95	139.53	3,447.48	0.9773	3,369.22
MCFCI / Care WI (GSR 12)	3,736.44	139.53	3,875.97	0.9773	3,787.99
iCare (GSR 3)	3,930.52	139.53	4,070.05	1.0000	4,070.05
iCare (GSR 8)	4,315.94	139.53	4,455.47	1.0000	4,455.47
iCare (GSR 11)	3,791.82	139.53	3,931.35	1.0000	3,931.35
iCare (GSR 12)	3,747.77	139.53	3,887.30	1.0000	3,887.30
CCHP - PACE	4,488.53	139.53	4,628.06	1.0000	4,628.06
CCHP (GSR 6)	3,325.38	139.53	3,464.91	1.0000	3,464.91
CCHP (GSR 8)	6,151.65	139.53	6,291.18	1.0000	6,291.18
CCHP (GSR 10)	4,610.14	139.53	4,749.67	1.0000	4,749.67
CCHP (GSR 11)	3,874.37	139.53	4,013.90	1.0000	4,013.90
Total DD Cohort	\$4,335.76	\$139.53	\$4,475.29	0.9923	\$4,440.89

PD Development	(B) Application of HCRP			Market Variability Adjustment	(E) = (C) x (D)
	(A)		(C) = (A) + (B)		
	Projected Per Capita Monthly Costs	HCRP Pooled Claims	Projected Per Capita Monthly LTC Costs w / HCRP		
MCFCI / Care WI (GSR 3)	\$3,604.82	\$33.63	\$3,638.45	0.9773	\$3,555.86
MCFCI / Care WI (GSR 5)	2,922.62	33.63	2,956.25	0.9773	2,889.14
MCFCI / Care WI (GSR 6)	2,986.88	33.63	3,020.51	0.9773	2,951.94
MCFCI / Care WI (GSR 12)	2,686.65	33.63	2,720.28	0.9773	2,658.53
iCare (GSR 3)	3,604.82	33.63	3,638.45	1.0000	3,638.45
iCare (GSR 8)	2,667.97	33.63	2,701.60	1.0000	2,701.60
iCare (GSR 11)	2,596.10	33.63	2,629.73	1.0000	2,629.73
iCare (GSR 12)	2,618.06	33.63	2,651.69	1.0000	2,651.69
CCHP - PACE	2,966.58	33.63	3,000.21	1.0000	3,000.21
CCHP (GSR 6)	2,960.31	33.63	2,993.94	1.0000	2,993.94
CCHP (GSR 8)	3,856.23	33.63	3,889.86	1.0000	3,889.86
CCHP (GSR 10)	2,324.31	33.63	2,357.94	1.0000	2,357.94
CCHP (GSR 11)	2,726.50	33.63	2,760.13	1.0000	2,760.13
Total PD Cohort	\$2,785.96	\$33.63	\$2,819.59	0.9902	\$2,791.89

FE Development	(B) Application of HCRP			Market Variability Adjustment	(E) = (C) x (D)
	(A)		(C) = (A) + (B)		
	Projected Per Capita Monthly Costs	HCRP Pooled Claims	Projected Per Capita Monthly LTC Costs w / HCRP		
MCFCI / Care WI (GSR 3)	\$3,293.80	\$1.41	\$3,295.21	0.9773	\$3,220.41
MCFCI / Care WI (GSR 5)	2,998.65	1.41	3,000.06	0.9773	2,931.96
MCFCI / Care WI (GSR 6)	3,077.34	1.41	3,078.75	0.9773	3,008.86
MCFCI / Care WI (GSR 12)	2,887.43	1.41	2,888.84	0.9773	2,823.26
iCare (GSR 3)	3,293.80	1.41	3,295.21	1.0000	3,295.21
iCare (GSR 8)	2,368.80	1.41	2,370.21	1.0000	2,370.21
iCare (GSR 11)	3,021.16	1.41	3,022.57	1.0000	3,022.57
iCare (GSR 12)	2,626.57	1.41	2,627.98	1.0000	2,627.98
CCHP - PACE	3,216.62	1.41	3,218.03	1.0000	3,218.03
CCHP (GSR 6)	3,202.61	1.41	3,204.02	1.0000	3,204.02
CCHP (GSR 8)	3,103.41	1.41	3,104.82	1.0000	3,104.82
CCHP (GSR 10)	2,990.03	1.41	2,991.44	1.0000	2,991.44
CCHP (GSR 11)	3,022.81	1.41	3,024.22	1.0000	3,024.22
Total FE Cohort	\$2,918.44	\$1.41	\$2,919.85	0.9885	\$2,886.16

Composite Development	(B) Application of HCRP			Market Variability Adjustment	(E) = (C) x (D)
	(A)		(C) = (A) + (B)		
	Projected Per Capita Monthly Costs	HCRP Pooled Claims	Projected Per Capita Monthly LTC Costs w / HCRP		
MCFCI / Care WI (GSR 3)	\$3,522.21	\$43.74	\$3,565.95	0.9773	\$3,485.00
MCFCI / Care WI (GSR 5)	3,508.98	50.22	3,559.20	0.9773	3,478.41
MCFCI / Care WI (GSR 6)	3,105.06	36.32	3,141.38	0.9773	3,070.07
MCFCI / Care WI (GSR 12)	2,956.38	33.05	2,989.43	0.9773	2,921.57
iCare (GSR 3)	3,592.88	54.88	3,647.76	1.0000	3,647.76
iCare (GSR 8)	2,996.89	50.83	3,047.72	1.0000	3,047.72
iCare (GSR 11)	3,098.79	53.32	3,152.11	1.0000	3,152.11
iCare (GSR 12)	2,771.73	36.38	2,808.11	1.0000	2,808.11
CCHP - PACE	3,359.19	21.98	3,381.17	1.0000	3,381.17
CCHP (GSR 6)	3,169.53	41.81	3,211.34	1.0000	3,211.34
CCHP (GSR 8)	4,869.33	80.70	4,950.03	1.0000	4,950.03
CCHP (GSR 10)	3,374.84	55.67	3,430.51	1.0000	3,430.51
CCHP (GSR 11)	3,283.71	64.45	3,348.16	1.0000	3,348.16
Grand Total	\$3,180.91	\$41.20	\$3,222.11	0.9901	\$3,190.15

EXHIBITS H through I

Capitation Rate Development – Capitation Rates

State of Wisconsin Department of Health Services
CY 2020 Capitation Rate Development for Family Care Partnership / PACE Program

November 26, 2019

This report assumes that the reader is familiar with the State of Wisconsin's Medicaid program, its benefits, and rate setting principles. The report was prepared solely to provide assistance to DHS to set CY 2020 capitation rates for the Family Care Partnership / PACE program. It may not be appropriate for other purposes. Milliman does not intend to benefit, and assumes no duty or liability to, other parties who receive this work. This material should only be reviewed in its entirety.

Exhibit H
Wisconsin Department of Health Services
 CY 2020 Partnership / PACE Capitation Rate Development
 Development of Non-Service Portion of Rates, MCE, and Final Capitation Rates

DD Development	2020 Exposure Months	(A)	(B)	(C)	(D) = (B) - (C)	(E)	(F) = (A) + (E)	(G) = (B) + (E)	(H) = (D) + (E)	(I)	(J) = (I) / (M)	(K) = (L) / (N)	(L)	(M) = (F) + (I)	(N) = (G) + (I) + (L)	(O) = (H) + (I) + (L)	(P) = (N) x 0.005	(Q) = (O) - (P)
		LTC MCE Service Costs	Gross LTC Service Costs	2020 HCPR Pooled Claims	Net LTC Service Costs		2020 A&P Service Costs	MCE Service Costs	Gross Service Costs	Net Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2020 Capitation Rate	2020 Capitation Rate Less HCPR	P4P Withhold
MCFCI / Care WI (GSR 3)	210	\$4,070.05	\$3,977.66	\$138.53	\$3,938.13	\$290.22	\$4,250.27	\$4,257.88	\$4,118.35	\$202.48	4.4%	2.0%	\$91.03	\$4,852.75	\$4,551.39	\$4,411.86	\$22.76	\$4,389.10
MCFCI / Care WI (GSR 5)	751	4,934.62	4,822.60	139.53	4,683.07	245.64	5,180.26	5,068.24	4,928.71	202.48	3.8%	2.0%	107.57	5,382.74	5,378.29	5,238.76	26.89	5,211.87
MCFCI / Care WI (GSR 6)	63	3,447.48	3,369.22	139.53	3,229.69	399.68	3,847.16	3,768.90	3,629.37	202.48	5.0%	2.0%	81.05	4,049.64	4,052.43	3,912.90	20.26	3,892.64
MCFCI / Care WI (GSR 12)	3,191	3,875.97	3,787.99	139.53	3,648.46	373.69	4,249.66	4,161.68	4,022.15	202.48	4.5%	2.0%	89.06	4,452.14	4,453.22	4,313.69	22.27	4,291.42
Care (GSR 3)	21	4,070.05	4,070.05	139.53	3,930.52	345.07	4,411.92	4,411.92	4,272.29	202.48	4.4%	2.0%	94.17	4,708.47	4,708.47	4,568.94	23.54	4,545.40
Care (GSR 5)	2,540	4,455.47	4,455.47	139.53	4,315.94	617.34	5,072.81	5,072.81	4,933.28	202.48	3.8%	2.0%	107.66	5,275.29	5,322.95	5,243.42	26.91	5,216.51
Care (GSR 11)	224	3,931.35	3,931.35	139.53	3,791.82	464.72	4,396.07	4,396.07	4,256.54	202.48	4.4%	2.0%	93.85	4,598.55	4,692.40	4,552.87	23.46	4,529.41
Care (GSR 12)	419	3,887.30	3,887.30	139.53	3,747.77	580.33	4,467.63	4,467.63	4,328.10	202.48	4.3%	2.0%	102.39	4,670.11	4,765.42	4,625.89	23.83	4,602.06
CCHP - PACE	870	4,628.06	4,628.06	0.00	4,628.06	215.44	4,843.50	4,843.50	4,843.50	202.48	4.0%	2.0%	102.98	5,045.98	5,148.96	5,148.96	0.00	5,148.96
CCHP (GSR 6)	395	3,464.91	3,464.91	139.53	3,325.38	345.07	3,809.98	3,809.98	3,670.45	202.48	5.0%	2.0%	81.89	4,012.46	4,094.35	3,954.82	20.47	3,934.35
CCHP (GSR 8)	1,444	6,291.18	6,291.18	139.53	6,151.65	686.47	6,977.65	6,977.65	6,838.12	202.48	2.8%	2.0%	146.53	7,180.13	7,326.66	7,187.13	36.63	7,150.50
CCHP (GSR 10)	448	4,749.67	4,749.67	139.53	4,610.14	295.00	5,044.67	5,044.67	4,905.14	202.48	3.9%	2.0%	107.08	5,247.15	5,354.23	5,214.70	26.77	5,187.93
CCHP (GSR 11)	747	4,013.90	4,013.90	139.53	3,874.37	378.70	4,392.60	4,392.60	4,253.07	202.48	4.4%	2.0%	93.78	4,595.08	4,688.86	4,549.33	23.44	4,525.89
Total DD Cohort	11,315	\$4,475.29	\$4,440.89	\$128.80	\$4,312.09	\$451.71	\$4,927.00	\$4,892.60	\$4,763.78	\$202.48	3.9%	2.0%	\$103.98	\$5,129.48	\$5,199.06	\$5,070.26	\$24.01	\$5,046.25

PD Development	2020 Exposure Months	(A)	(B)	(C)	(D) = (B) - (C)	(E)	(F) = (A) + (E)	(G) = (B) + (E)	(H) = (D) + (E)	(I)	(J) = (I) / (M)	(K) = (L) / (N)	(L)	(M) = (F) + (I)	(N) = (G) + (I) + (L)	(O) = (H) + (I) + (L)	(P) = (N) x 0.005	(Q) = (O) - (P)
		LTC MCE Service Costs	Gross LTC Service Costs	2020 HCPR Pooled Claims	Net LTC Service Costs		2020 A&P Service Costs	MCE Service Costs	Gross Service Costs	Net Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2020 Capitation Rate	2020 Capitation Rate Less HCPR	P4P Withhold
MCFCI / Care WI (GSR 3)	166	\$3,638.45	\$3,555.86	\$33.63	\$3,522.23	\$290.22	\$3,818.67	\$3,836.08	\$3,802.45	\$202.48	4.9%	2.0%	\$82.42	\$4,121.15	\$4,120.88	\$4,007.35	\$20.60	\$4,086.75
MCFCI / Care WI (GSR 5)	641	2,956.25	2,889.14	33.63	2,855.51	245.64	3,201.89	3,134.78	3,101.15	202.48	5.9%	2.0%	68.11	3,404.37	3,405.37	3,371.74	17.03	3,354.71
MCFCI / Care WI (GSR 6)	66	3,020.51	2,951.94	33.63	2,918.31	399.68	3,420.19	3,351.62	3,317.99	202.48	5.6%	2.0%	72.53	3,622.67	3,626.63	3,593.00	18.13	3,574.87
MCFCI / Care WI (GSR 12)	6,455	2,720.28	2,685.53	33.63	2,651.90	373.69	3,093.97	3,032.22	2,998.59	202.48	6.1%	2.0%	66.26	3,296.45	3,300.71	3,267.08	16.50	3,250.58
Care (GSR 3)	21	3,638.45	3,638.45	33.63	3,604.82	341.77	3,986.22	3,986.22	3,946.59	202.48	4.8%	2.0%	85.36	4,182.70	4,268.06	4,234.43	21.34	4,213.09
Care (GSR 5)	4,413	2,701.90	2,701.90	33.63	2,668.27	464.72	3,138.94	3,138.94	3,095.31	202.48	5.7%	2.0%	71.87	3,331.42	3,353.29	3,358.66	17.87	3,340.69
Care (GSR 11)	267	2,629.73	2,629.73	33.63	2,596.10	464.72	3,094.45	3,094.45	3,060.82	202.48	6.1%	2.0%	67.28	3,296.93	3,384.21	3,330.58	16.82	3,313.76
Care (GSR 12)	1,615	2,651.69	2,651.69	33.63	2,618.06	580.33	3,232.02	3,232.02	3,198.39	202.48	5.9%	2.0%	70.09	3,434.50	3,504.59	3,470.96	17.52	3,453.44
CCHP - PACE	579	3,000.21	3,000.21	0.00	3,000.21	215.44	3,215.65	3,215.65	3,187.89	202.48	5.9%	2.0%	69.76	3,418.13	3,487.89	3,487.89	0.00	3,487.89
CCHP (GSR 6)	421	2,993.94	2,993.94	33.63	2,960.31	345.07	3,393.01	3,393.01	3,305.38	202.48	5.7%	2.0%	72.28	3,611.49	3,613.77	3,580.14	18.07	3,562.07
CCHP (GSR 8)	1,148	3,889.86	3,889.86	33.63	3,856.23	686.47	4,576.33	4,576.33	4,542.70	202.48	4.2%	2.0%	97.53	4,778.81	4,778.81	4,642.71	24.38	4,618.33
CCHP (GSR 10)	421	2,357.94	2,357.94	33.63	2,324.31	295.00	2,652.94	2,652.94	2,619.31	202.48	7.1%	2.0%	58.27	2,855.42	2,913.69	2,880.06	14.57	2,865.49
CCHP (GSR 11)	487	2,760.13	2,760.13	33.63	2,726.50	378.70	3,138.83	3,138.83	3,105.20	202.48	6.1%	2.0%	68.19	3,341.31	3,409.50	3,375.87	17.05	3,358.82
Total PD Cohort	16,600	\$2,819.59	\$2,791.89	\$32.46	\$2,759.43	\$468.24	\$3,287.83	\$3,260.13	\$3,227.67	\$202.48	5.8%	2.0%	\$70.67	\$3,490.31	\$3,533.28	\$3,500.82	\$17.06	\$3,483.76

FE Development	2020 Exposure Months	(A)	(B)	(C)	(D) = (B) - (C)	(E)	(F) = (A) + (E)	(G) = (B) + (E)	(H) = (D) + (E)	(I)	(J) = (I) / (M)	(K) = (L) / (N)	(L)	(M) = (F) + (I)	(N) = (G) + (I) + (L)	(O) = (H) + (I) + (L)	(P) = (N) x 0.005	(Q) = (O) - (P)
		LTC MCE Service Costs	Gross LTC Service Costs	2020 HCPR Pooled Claims	Net LTC Service Costs		2020 A&P Service Costs	MCE Service Costs	Gross Service Costs	Net Service Costs	Administrative Allowance	Implied Administrative Percentage	Targeted Margin	Targeted Margin PMPM	MCE Rates	2020 Capitation Rate	2020 Capitation Rate Less HCPR	P4P Withhold
MCFCI / Care WI (GSR 3)	435	\$3,295.21	\$3,220.41	\$1.41	\$3,219.00	\$290.22	\$3,575.43	\$3,500.63	\$3,499.22	\$202.48	5.4%	2.0%	\$75.57	\$3,777.91	\$3,778.68	\$3,777.27	\$18.89	\$3,758.38
MCFCI / Care WI (GSR 5)	1,156	3,000.06	2,931.96	1.41	2,930.55	245.64	3,245.70	3,177.60	3,176.19	202.48	5.9%	2.0%	68.98	3,448.18	3,449.96	3,447.65	17.25	3,430.40
MCFCI / Care WI (GSR 6)	181	3,078.75	3,008.86	1.41	3,007.45	399.68	3,478.43	3,408.54	3,407.13	202.48	5.5%	2.0%	73.69	3,680.91	3,684.71	3,683.30	18.42	3,664.88
MCFCI / Care WI (GSR 12)	10,856	2,888.84	2,823.26	1.41	2,821.85	373.69	3,262.53	3,196.95	3,195.54	202.48	5.8%	2.0%	69.38	3,465.01	3,468.81	3,467.40	17.34	3,450.06
Care (GSR 3)	24	3,295.21	3,295.21	1.41	3,293.80	341.77	3,638.98	3,638.98	3,635.57	202.48	5.3%	2.0%	78.36	3,839.46	3,917.82	3,916.41	19.59	3,896.82
Care (GSR 5)	3,024	2,370.21	2,370.21	1.41	2,368.80	617.34	2,987.55	2,987.55	2,986.14	202.48	6.3%	2.0%	65.10	3,190.03	3,255.13	3,253.72	16.28	3,237.44
Care (GSR 11)	271	3,022.57	3,022.57	1.41	3,021.16	464.72	3,487.29	3,487.29	3,485.88	202.48	5.5%	2.0%	75.30	3,698.77	3,765.07	3,763.66	18.83	3,744.83
Care (GSR 12)	1,110	2,627.98	2,627.98	1.41	2,626.57	580.33	3,208.31	3,208.31	3,206.90	202.48	5.9%	2.0%	69.61	3,410.79	3,480.40	3,478.99	17.40	3,461.59
CCHP - PACE	5,299	3,218.03	3,218.03	0.00	3,218.03	215.44	3,433.47	3,433.47	3,433.47	202.48	5.6%	2.0%	74.20	3,635.95	3,710.15	3,710.15	0.00	3,710.15
CCHP (GSR 6)	847	3,204.02	3,204.02	1.41	3,202.61	345.07	3,549.09	3,549.09	3,547.68	202.48	5.4%	2.0%	76.58	3,751.57	3,828.13	3,826.72	19.14	3,807.58
CCHP (GSR 8)	390	3,104.82	3,104.82	1.41	3,103.41	686.47	3,791.29	3,791.29	3,789.88	202.48	5.1%	2.0%	81.51	3,993.77	4,075.28	4,073.87	20.38	4,053.49
CCHP (GSR 10)	553	2,991.44	2,991.44	1.41	2,990.03	295.00	3,286.44	3,286.44	3,285.03	202.48	5.8%	2.0%	71.20	3,488.92	3,560.12	3,558.71	17.80	3,540.91
CCHP (GSR 11)	652	3,024.22	3,024.22	1.41	3,022.81	378.70	3,402.92	3,402.92	3,401.51	202.48	5.6%	2.0%	73.58	3,605.40	3,678.98	3,677.57	18.39	3,659.18
Total FE Cohort	24,808	\$2,919.85	\$2,886.16	\$1.11	\$2,885.05	\$374.67	\$3,294.52	\$3,260.83	\$3,259.72	\$202.48	5.8%	2.0%	\$70.68	\$3,497.00	\$3,533.99	\$3,532.88	\$13.71	\$3,519.17

Composite Development	2020 Exposure Months	(A)	(B)	(C)	(D) = (B) - (C)	(E)	(F) = (A) + (E)	(G) = (B) + (E)	(H) = (D) + (E)	(I)	(J) = (I) / (M)	(K) = (L) / (N)	(L
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Exhibit I
Wisconsin Department of Health Services
CY 2020 Partnership / PACE Capitation Rate Development
Monthly Rates Net of HCRP Paid to MCOs

MCO / GSR	2020 Exposure Months				(A)	(B)	(C)	(D)	(E) = (A) + (B) + (C) + (D)		(F)	(G) = (E) - (F)						
	DD	PD	FE	Total	Developmentally Disabled				2020 Net Capitation Rate Less P4P Withhold		Physically Disabled							
					2020 Net LTC Service Costs	2020 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2020 Net Capitation Rate	P4P Withhold	2020 Net LTC Service Costs	2020 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2020 Net Capitation Rate	P4P Withhold	2020 Net Capitation Rate Less P4P Withhold	
MCFCI / Care WI (GSR 3)	210	166	435	810	\$3,838.13	\$280.22	\$202.48	\$91.03	\$4,411.86	\$22.76	\$4,389.10	\$3,522.23	\$280.22	\$202.48	\$82.42	\$4,087.35	\$20.60	\$4,066.75
MCFCI / Care WI (GSR 5)	751	641	1,156	2,548	4,683.07	245.64	202.48	107.57	5,238.76	26.89	5,211.87	2,855.51	245.64	202.48	68.11	3,371.74	17.03	3,354.71
MCFCI / Care WI (GSR 6)	63	66	181	310	3,229.69	399.68	202.48	81.05	3,912.90	20.26	3,892.64	2,918.31	399.68	202.48	72.53	3,593.00	18.13	3,574.87
MCFCI / Care WI (GSR 12)	3,191	6,455	10,856	20,502	3,648.46	373.69	202.48	89.06	4,313.69	22.27	4,291.42	2,624.90	373.69	202.48	66.01	3,267.08	16.50	3,250.58
iCare (GSR 3)	21	21	24	66	3,930.52	341.77	202.48	94.17	4,568.94	23.54	4,545.40	3,604.82	341.77	202.48	85.36	4,234.43	21.34	4,213.09
iCare (GSR 8)	2,540	4,413	3,024	9,978	4,315.94	617.34	202.48	107.66	5,243.42	26.91	5,216.51	2,667.97	617.34	202.48	71.87	3,559.66	17.97	3,541.69
iCare (GSR 11)	224	267	271	763	3,791.82	464.72	202.48	93.85	4,552.87	23.46	4,529.41	2,596.10	464.72	202.48	67.28	3,330.58	16.82	3,313.76
iCare (GSR 12)	419	1,615	1,110	3,144	3,747.77	580.33	202.48	95.31	4,625.89	23.83	4,602.06	2,618.06	580.33	202.48	70.09	3,470.96	17.52	3,453.44
CCHP - PACE	870	579	5,299	6,748	4,628.06	215.44	202.48	102.98	5,148.96	0.00	5,148.96	3,000.21	215.44	202.48	69.76	3,467.89	0.00	3,467.89
CCHP (GSR 6)	385	421	847	1,654	3,325.38	345.07	202.48	81.89	3,954.82	20.47	3,934.35	2,960.31	345.07	202.48	72.28	3,580.14	18.07	3,562.07
CCHP (GSR 8)	1,444	1,148	390	2,983	6,151.65	686.47	202.48	146.53	7,187.13	36.63	7,150.50	3,856.23	686.47	202.48	97.53	4,842.71	24.38	4,818.33
CCHP (GSR 10)	448	321	563	1,332	4,610.14	295.00	202.48	107.08	5,214.70	26.77	5,187.93	2,324.31	295.00	202.48	58.27	2,880.06	14.57	2,865.49
CCHP (GSR 11)	747	487	652	1,885	3,874.37	378.70	202.48	93.78	4,549.33	23.44	4,525.89	2,726.50	378.70	202.48	68.19	3,375.87	17.05	3,358.82

MCO / GSR	2020 Exposure Months				(A)	(B)	(C)	(D)	(E) = (A) + (B) + (C) + (D)		(F)	(G) = (E) - (F)						
	DD	PD	FE	Total	Frail Elderly				2020 Net Capitation Rate Less P4P Withhold		Composite Population							
					2020 Net LTC Service Costs	2020 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2020 Net Capitation Rate	P4P Withhold	2020 Net LTC Service Costs	2020 Acute and Primary Service Costs	Administrative Allowance	Targeted Margin PMPM	2020 Net Capitation Rate	P4P Withhold	2020 Net Capitation Rate Less P4P Withhold	
MCFCI / Care WI (GSR 3)	210	166	435	810	\$3,219.00	\$280.22	\$202.48	\$75.57	\$3,777.27	\$18.89	\$3,758.38	\$3,441.26	\$280.22	\$202.48	\$80.97	\$4,004.93	\$20.24	\$3,984.69
MCFCI / Care WI (GSR 5)	751	641	1,156	2,548	2,930.55	245.64	202.48	88.98	3,447.65	17.25	3,430.40	3,428.19	245.64	202.48	80.13	3,956.44	20.03	3,936.41
MCFCI / Care WI (GSR 6)	63	66	181	310	3,007.45	399.68	202.48	73.69	3,683.30	18.42	3,664.88	3,033.75	399.68	202.48	74.94	3,710.85	18.74	3,692.11
MCFCI / Care WI (GSR 12)	3,191	6,455	10,856	20,502	2,821.85	373.69	202.48	69.38	3,467.40	17.34	3,450.06	2,888.52	373.69	202.48	71.38	3,536.07	17.85	3,518.22
iCare (GSR 3)	21	21	24	66	3,293.80	341.77	202.48	78.36	3,916.41	19.59	3,896.82	3,592.88	341.77	202.48	85.55	4,222.68	21.39	4,201.29
iCare (GSR 8)	2,540	4,413	3,024	9,978	2,368.80	617.34	202.48	65.10	3,253.72	16.28	3,237.44	2,996.89	617.34	202.48	78.93	3,895.64	19.73	3,875.91
iCare (GSR 11)	224	267	271	763	3,021.16	464.72	202.48	75.30	3,763.66	18.83	3,744.83	3,098.79	464.72	202.48	77.95	3,843.94	19.49	3,824.45
iCare (GSR 12)	419	1,615	1,110	3,144	2,626.57	580.33	202.48	69.61	3,478.99	17.40	3,461.59	2,771.73	580.33	202.48	73.28	3,627.82	18.32	3,609.50
CCHP - PACE	870	579	5,299	6,748	3,218.03	215.44	202.48	74.20	3,710.15	0.00	3,710.15	3,381.17	215.44	202.48	77.53	3,876.62	0.00	3,876.62
CCHP (GSR 6)	385	421	847	1,654	3,202.61	345.07	202.48	76.56	3,826.72	19.14	3,807.58	3,169.53	345.07	202.48	76.71	3,793.79	19.18	3,774.61
CCHP (GSR 8)	1,444	1,148	390	2,983	3,103.41	686.47	202.48	81.51	4,073.87	20.38	4,053.49	4,869.33	686.47	202.48	119.16	5,877.44	29.79	5,847.65
CCHP (GSR 10)	448	321	563	1,332	2,990.03	295.00	202.48	71.20	3,558.71	17.80	3,540.91	3,374.84	295.00	202.48	80.16	3,952.48	20.04	3,932.44
CCHP (GSR 11)	747	487	652	1,885	3,022.81	378.70	202.48	73.58	3,677.57	18.39	3,659.18	3,283.71	378.70	202.48	80.19	3,945.08	20.05	3,925.03

EXHIBIT J

Actuarial Certification

State of Wisconsin Department of Health Services
CY 2020 Capitation Rate Development for Family Care Partnership / PACE Program

November 26, 2019

This report assumes that the reader is familiar with the State of Wisconsin's Medicaid program, its benefits, and rate setting principles. The report was prepared solely to provide assistance to DHS to set CY 2020 capitation rates for the Family Care Partnership / PACE program. It may not be appropriate for other purposes. Milliman does not intend to benefit, and assumes no duty or liability to, other parties who receive this work. This material should only be reviewed in its entirety.



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Michael C. Cook, FSA, MAAA
Principal and Consulting Actuary

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November 26, 2019

**Wisconsin Department of Health Services
Capitated Contracts Ratesetting
Actuarial Certification
CY 2020 Family Care Partnership Program Capitation Rates**

I, Michael C. Cook, am associated with the firm of Milliman, Inc., am a member of the American Academy of Actuaries, and meet its Qualification Standards for Statements of Actuarial Opinion. I was retained by the Wisconsin Department of Health Services (DHS) to perform an actuarial certification of the Family Care Partnership program capitation rates for calendar year (CY) 2020 for filing with the Centers for Medicare and Medicaid Services (CMS). I reviewed the calculated capitation rates and am familiar with the following regulation and guidance:

- The requirements of 42 CFR §438.3(c), 438.3(e), 438.4, 438.5, 438.6, and 438.7
- CMS "Appendix A, PAHP, PIHP, and MCO Contracts Financial Review Documentation for At-risk Capitated Contracts Ratesetting dated November 10, 2014"
- 2019 to 2020 Medicaid Managed Care Rate Development Guide
- Actuarial Standard of Practice 49

I examined the actuarial assumptions and actuarial methods used in setting the capitation rates for CY 2020. To the best of my information, knowledge and belief, the capitation rates offered by DHS are in compliance with the relevant requirements of 42 CFR §438.3(c), 438.3(e), 438.4, 438.5, 438.6, and 438.7.

In my opinion, the capitation rates are actuarially sound, as defined in ASOP 49, were developed in accordance with generally accepted actuarial principles and practices, and are appropriate for the populations to be covered and the services to be furnished under the contract.

In making my opinion, I relied upon the accuracy of the underlying claims and eligibility data records and other information. A copy of the reliance letter received from DHS is attached and constitutes part of this opinion. I did not audit the data and calculations, but did review them for reasonableness and consistency and did not find material defects. In other respects, my examination included such review of the underlying assumptions and methods used and such tests of the calculations as I considered necessary.

Actuarial methods, considerations, and analyses used in forming my opinion conform to the appropriate Standards of Practice as promulgated from time-to-time by the Actuarial Standards Board, whose standards form the basis of this Statement of Opinion.

It should be emphasized that capitation rates are a projection of future costs based on a set of assumptions. Actual costs will be dependent on each contracted managed care organization's situation and experience.



This Opinion assumes the reader is familiar with the Wisconsin Medicaid program, Family Care Partnership programs, and actuarial rating techniques. The Opinion is intended for the State of Wisconsin and the Centers for Medicare and Medicaid Services and should not be relied on by other parties. The reader should be advised by actuaries or other professionals competent in the area of actuarial rate projections of the type in this Opinion, so as to properly interpret the projection results.

A handwritten signature in black ink that reads "Michael Cook". The signature is written in a cursive style and is positioned above a horizontal line.

Michael C. Cook
Member, American Academy of Actuaries

November 26, 2019



RELIANCE LETTER

Tony Evers
Governor



DIVISION OF MEDICAID SERVICES

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PO BOX 309
MADISON WI 53701-0309

Andrea Palm
Secretary

State of Wisconsin
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November 21, 2019

Mr. Michael Cook, FSA, MAAA
Principal and Consulting Actuary
Milliman, Inc.
15800 Bluemound Road, Suite 100
Brookfield, WI 53005

RE: Data Reliance for Actuarial Certification of CY 2020 Family Care, Family Care Partnership, and PACE Capitation Rates

Dear Michael:

I, Ben Nerad, Director of the Bureau of Rate Setting, hereby affirm that the listings and summaries prepared and submitted to Milliman, Inc. for the development of the CY 2020 Family Care, and Family Care Partnership, and PACE capitation rates were prepared under my direction, and to the best of my knowledge and belief are accurate and complete. These listings and summaries include:

1. Health Plan encounter data files containing claims information on capitated plan assignment, detailed service category, target group, geographic indicators, and demographic indicators for calendar years (CYs) 2017 and 2018 for the Family Care, Family Care Partnership, and PACE programs.
2. Fee-for-service, Waitlist, and Waiver data files containing claims information on detailed service category, geographic indicators, and demographic indicators for CYs 2017 and 2018 for the Family Care program.
3. Long Term Care Functional Screen (LTCFS) data extracts through June 2019 for the Family Care, Family Care Partnership, and PACE programs.
4. Data files containing enrollment information on capitated plan assignment, program and target group, geographic indicators, and demographic indicators for CYs 2017, 2018, and YTD 2019 for the Family Care, Family Care Partnership, and PACE programs.
5. Data file containing a list of screens impacted by changes to the target group automation algorithm.
6. Data files containing claims, diagnosis, and enrollment information for the acute and primary portion of the Family Care Partnership and PACE programs.
7. Data files containing estimated monthly enrollment for CY 2020 in total and by health plan, geographic indicator, and target group for the Family Care, Family Care Partnership, and PACE programs.
8. Data dictionary files for the encounter, enrollment, and LTCFS files for the Family Care, Family Care Partnership, and PACE programs.
9. CY 2018 financials for health plans participating in the Family Care, Family Care Partnership, and PACE programs.
10. An administrative cost model for CY 2020 non-service costs to be applied to the Family Care, Family Care Partnership, and PACE programs.
11. A data file containing lists of allowed and dis-allowed services under managed care for the Family Care, Family Care Partnership, and PACE programs.
12. Information and direction regarding the implementation of the High Cost Risk Pool for the Family Care, Family Care Partnership, and PACE programs.

13. Information and direction regarding the MCO business plans and market variability adjustment for the Family Care, Family Care Partnership, and PACE programs.
14. Information and direction regarding the goals of the PACE rate development.
15. Information and direction regarding the Pay for Performance and incentive payment mechanisms for the Family Care and Family Care Partnership programs.
16. Results of analyses performed by DHS regarding the fiscal impact of legislative and policy changes for the Family Care, Family Care Partnership, and PACE programs.
17. Any other items provided to Milliman to support the 2020 rate development not mentioned above for the Family Care, Family Care Partnership, and PACE programs.

I affirm that the above information and any other related data submitted to Milliman, Inc. are, to the best of my knowledge and belief, accurately stated.

A handwritten signature in black ink, appearing to read "Byron" followed by a stylized flourish.

Name

November 21, 2019

Date

EXHIBITS K through L
CMS Rate Setting Checklist Issues
CMA Medicaid Managed Care Rate Development Guide

Exhibit K

Rate Setting Checklist

This section of the report lists each item in the November 10, 2014 CMS checklist and discusses how DHS addresses each issue and / or directs the reader to other parts of this report. CMS uses the rate setting checklist to review and approve a state's Medicaid capitation rates.

AA.1.0 – Overview of Rates Being Paid Under the Contract

The calendar year (CY) 2020 managed care organization (MCO) capitation rates are developed using 2017 and 2018 Wisconsin Medicaid long term care (LTC) MCO encounter data for the MCO eligible population, along with other information. DHS sets rates by MCO and Geographical Service Area (GSR).

Please refer to Sections II to V of this report for background on the program and more details around the rate development.

AA.1.1 – Actuarial Certification

The Actuarial Certification of the CY 2020 capitation rates is included as Exhibit J of this report. The CY 2020 Wisconsin LTC Medicaid care management capitation rates have been developed in accordance with generally accepted actuarial principles and practices and are appropriate for the populations to be covered and the services to be furnished under the contract.

AA.1.2 – Projection of Expenditures

Appendix B includes a projection of total expenditures and Federal-only expenditures based on Projected CY 2020 MCO enrollment and CY 2020 capitation rates. We used a 59.37% FMAP rate to calculate the Federal expenditures.

AA.1.3 – Risk Contracts

The Wisconsin Family Care Partnership program meet the criteria of a risk contract.

AA.1.4 – Modifications

The CY 2020 rates documented in this report are the initial capitation rates for the CY 2020 Wisconsin Medicaid LTC managed care contracts.

Note: There is no AA.1.5 on the Rate Setting Checklist

AA.1.6 – Limit on Payment to Other Providers

It is our understanding no payment is made to a provider other than the participating MCOs for services available under the contract.

AA.1.7 – Risk and Profit

The CY 2020 Family Care Partnership capitation rates include a targeted margin of 2.0% for risk, profit, and contribution to reserves. We believe that this margin is appropriate given low service cost trends and the predictability of expenses under the program.

AA.1.8 – Family Planning Enhanced Match

DHS does not claim enhanced match for family planning services for the population covered under this program.

AA.1.9 – Indian Health Service (IHS) Facility Enhanced Match

DHS does not claim enhanced match for Indian Health Services for the population covered under this program.

AA.1.10 – Newly Eligible Enhanced Match

The Wisconsin Family Care Partnership program does not cover the newly eligible Medicaid population. Therefore, none of the recipients are eligible for the enhanced Federal match under Section 1905(y).

Exhibit K

Rate Setting Checklist

AA.1.11 – Retroactive Adjustments

The CY 2020 rates documented in this report are the initial capitation rates for the CY 2020 Wisconsin Medicaid LTC managed care contracts and do not contain any retroactive adjustments.

AA.2.0 – Based Only Upon Services Covered Under the State Plan

The CY 2020 rate methodology relies on CY 2017 and CY 2018 MCO encounter data for the Family Care and Family Care Partnership programs as the primary data sources. Only State Plan and waiver services that are covered under the Wisconsin Family Care Partnership contract have been included in the rate development.

AA.2.1 – Provided Under the Contract to Medicaid-Eligible Individuals

The CY 2020 capitation rate development methodology relies on data that includes only those eligible and currently enrolled in the Wisconsin Family Care and Family Care Partnership program and does not include experience for individuals not eligible to enroll in these programs.

AA.2.2 – Data Sources

The CY 2020 capitation rates are developed using Wisconsin Medicaid MCO encounter, eligibility, and functional screen data for CY 2017 and CY 2018 for the MCO eligible population as the primary data source.

Please refer to Section III to IV of this report for more details.

AA.3.0 – Adjustments to Base Year Data

All adjustments to the base year data are discussed in Section III to IV of this report. In addition, each item in the checklist is addressed in items AA.3.1 – AA.3.17 below.

AA.3.1 – Benefit Differences

The base data used to calculate the capitation rates has been adjusted to only include services covered under the Medicaid care management program contract.

AA.3.2 – Administrative Cost Allowance Calculations

The MCO capitation rates include explicit administrative allowances by MCO. Please see Section V of the report for more details regarding the administrative cost calculation.

AA.3.3 – Special Populations' Adjustments

The CY 2020 capitation rates methodology does not include an adjustment for special populations as the base MCO encounter data used to calculate the capitation rates is consistent with the Wisconsin Family Care Partnership program population.

AA.3.4 – Eligibility Adjustments

The base MCO encounter data reflects experience for time periods where members were enrolled in a Family Care or Family Care Partnership / PACE MCO. Please see section IV of the report for more detail regarding eligibility adjustments.

AA.3.5 – Third Party Liability (TPL)

The managed care organizations are responsible for the collection of any TPL recoveries. The MCO encounter data is reported net of TPL recoveries, therefore no adjustment was necessary.

Exhibit K

Rate Setting Checklist

AA.3.6 – Indian Health Care Provider Payments

The MCOs are responsible for the entirety of the IHC payments, which are fully reflected in encounters.

AA.3.7 – DSH Payments

DSH payments are not included in the capitation rates.

AA.3.8 – FQHC and RHC Reimbursement

The MCOs are responsible for the entirety of the FQHC and RHC payments, which are fully reflected in encounters.

AA.3.9 – Graduate Medical Education (GME)

GME payments are included as part of the hospital reimbursement formula. Therefore, the base data used in the capitation rate calculation includes GME payments. Separate FFS payments are not made to hospitals for members covered under managed care.

AA.3.10 – Copayments, Coinsurance, and Deductibles in Capitated Rates

The Wisconsin Family Care Partnership program does not include member cost sharing, so no adjustment to base period experience for this issue is required.

AA.3.11 – Medical Cost / Trend Inflation

Trend rates from CY 2018 to CY 2020 were developed by rate category and type of service for Family Care Partnership eligible services and individuals using historical MCO encounter data from January 2016 to December 2018 and actuarial judgment.

The trend rates and inflation factors represent the expected change in per capita cost between CY 2018 and CY 2020, net of acuity changes.

Please see Section III-IV and Appendices C and D for more details on the trend development.

AA.3.12 – Utilization Adjustments

Utilization trend is included in AA.3.11.

AA.3.13 – Utilization and Cost Assumptions

The CY 2020 capitation rates use an actuarially sound risk adjustment model to adjust the rates for each participating MCO in a particular GSR in order to reflect the acuity of enrolled members. Acuity adjustments were applied independently from the unit cost and utilization trend adjustments.

AA.3.14 – Post-Eligibility Treatment of Income (PETI)

Capitation rates are developed gross of patient liability, and DHS adjusts capitation paid for each member to reflect that individual's specific patient liability. Encounter payment amounts are gross of patient liability, so no adjustment to the data is necessary for this issue.

AA.3.15 – Incomplete Data Adjustment

The capitation rates include an adjustment to reflect IBNR claims. Please refer to Section III and IV of this report for more information on the development of these adjustment factors.

AA.3.16 – Primary Care Rate Enhancement

Acute and primary care base data is comprised of claims paid after January 1, 2016 and would not reflect the impact of the primary care rate enhancement.

Exhibit K

Rate Setting Checklist

AA.3.17 – Health Homes

Not Applicable.

AA.4.0 – Establish Rate Category Groupings

Please refer to Sections III to IV of this report.

AA.4.1 – Eligibility Categories

Target populations for individuals meeting the nursing home level of care requirement are defined in Step 1 of Section III.

AA.4.2 – Age

Age is not used for rate category groupings outside of the Target Population assignment.

AA.4.3 – Gender

Gender is not used for rate category groupings.

AA.4.4 – Locality / Region

Geographic regions are defined in Appendix A.

AA.4.5 – Risk Adjustments

Acuity adjustment models are described in Step 1 of Section IV.

AA.5.0 – Data Smoothing

While we did not perform any explicit data smoothing, the High Cost Risk Pool (HCRP) was implemented in 2016 to help spread risk associated with very high cost members across MCOs. The HCRP is described in AA.6.0.

AA.5.1 – Cost-Neutral Data Smoothing Adjustment

We did not perform any data smoothing.

AA.5.2 – Data Distortion Assessment

Our review of the base MCO encounter data did not detect any material distortions or outliers.

AA.5.3 – Data Smoothing Techniques

We determined that a data smoothing mechanism resulting from data distortions was not required.

AA.5.4 – Risk Adjustments

The LTC component of the CY 2020 capitation rates uses an actuarially sound risk adjustment model based on a functional screen to adjust the rates for each participating MCO. Please see Section IV of this report. The risk adjustment mechanism has been developed in accordance with generally accepted actuarial principles and practices.

Exhibit K

Rate Setting Checklist

AA.6.0 – Stop Loss, Reinsurance, or Risk Sharing Arrangements

Effective January 1, 2016, DHS implemented a High Cost Risk Pool (HCRP) for the Developmentally Disabled, Physically Disabled, and, beginning January 1, 2017, the Frail Elderly populations. The HCRP is targeted to cover 80% of provider service costs above \$225,000 for each individual and excludes Care Management expenses due to increased administrative burden to include them in this process.

A pooling charge specific to each target group will be assessed from each MCO and placed into a pool. At year end, a settlement will be performed to determine payout to MCOs for each target group separately. Each MCO will receive the portion of each target group's pool equivalent to their percentage of total pooled costs statewide. MCOs may effectively have more or less than 80% of an individual's CY 2020 costs greater than \$225,000 reimbursed depending on whether actual CY 2020 pooled costs are greater than or less than the target group pools. Individuals will be evaluated over their enrollment period, and \$225,000 threshold will not be pro-rated for partial year enrollment. If actual CY 2020 pooled costs are less than the target group pools, any remaining funding in the target group pools will be distributed as a flat PMPM amount to all MCOs.

The High Cost Risk Pool mechanism has been developed in accordance with generally accepted actuarial principles and practices.

AA.6.1 – Commercial Reinsurance

DHS does not require entities to purchase commercial reinsurance.

AA.6.2 – Stop-Loss Program

Please see AA.6.0.

AA.6.3 – Risk Corridor Program

Not applicable.

AA.7.0 – Incentive Arrangements

Please see Section VI of the rate report.

AA.7.1 – Electronic Health Records (EHR) Incentive Payments

DHS has not implemented incentive payments related to EHRs for the CY 2020 contract period.

Exhibit L

Response to 2019 to 2020 Managed Care Rate Development Guide

I. MEDICAID MANAGED CARE RATES

1. General Information

A. Rate Development Standards

- i. The rate certification included herein is for the calendar year (CY) 2020 contract period. The previous certification was for the CY 2019 contract period.
- ii. This rate certification submission was prepared in accordance with 42 CFR §438.3(c), 438.3(e), 438.4, 438.5, 438.6, and 438.7.
 - a. Our actuarial certification letter signed by Michael Cook, FSA, MAAA, certifies that the final capitation rates meet the standards in 42 CFR §438.3(c), 438.3(e), 438.4, 438.5, 438.6, and 438.7. The certification can be found in Exhibit Q.
 - b. The final and certified capitation rates for all rate cells and regions can be found in Exhibit I.
 - c. The items requested can be found in Sections I and II of this report.
- iii. Differences in capitation rates for covered the population are based on valid rate development standards and are not based on the rate of Federal financial participation associated with the covered population.
- iv. Each rate cell is developed independently to be actuarially sound and does not cross-subsidize payments for another rate cell.
- v. The effective dates of changes to the Medicaid program are consistent with the assumptions used to develop the capitation rates.
- vi. The rate certification submission does demonstrate that the capitation rates were developed using generally accepted actuarial practices and principles.
 - a. All adjustment to the capitation rates reflect reasonable, appropriate, and attainable costs.
 - b. No adjustments to the rates are performed outside of the initial rate setting process beyond those outlined in Sections III and VI of the report.
 - c. The final contracted rates in each cell match the capitation rates in the certification.
- vii. The capitation rates included in this submission are certified for all time periods in which they are effective. No rates for a previous time period are used for a future time period.
- viii. This rate certification conforms to the procedure for rate certifications and for rate and contract amendments. The CY 2020 rates documented in this report are the initial capitation rates for the CY 2020 Wisconsin Medicaid LTC managed care contracts.

B. Appropriate Documentation

- i. We believe that the attached report properly documents all the elements included in the rate certification, and provides CMS enough detail to determine that regulation standard are met.

Please see Sections I, III, IV, and V of this report for the following details:

- Data used, including citations to studies, research papers, other states' analyses, or similar secondary data sources
- Assumptions made, including any basis or justification for the assumption
- Methods for analyzing data and developing assumptions and adjustments

Exhibit L

Response to 2019 to 2020 Managed Care Rate Development Guide

- ii. We detail within our responses in this guide the section of our report where each item described in the 2019 to 2020 Medicaid Managed Care Rate Development Guide can be found.
- iii. All services and populations included in this rate certification are subject to the regular state FMAP.
- iv. Please see Section I of this report for the following details:
 - a. A comparison of the final certified rates in the prior certification
 - b. A description of material changes to the capitation rate development process

2. Data

A. Rate Development Standards

- i. Our report includes a thorough description of the data used.
 - a. DHS provided Milliman with validated encounter data and financial reports for at least the three most recent and complete years prior to the rating period.
 - b. The rate development methodology uses current MCO encounter data.
 - c. The data used is derived from the Medicaid population served under the Family Care and Family Care Partnership programs.
 - d. The rate development methodology uses recent MCO encounter data.

B. Appropriate Documentation

- i. Milliman did request and receive a full claims and enrollment database from DHS. Acute and primary care data is summarized in Exhibit A.
- ii. A detailed description of the data used in the rate development methodology can be found in Sections III to IV of this report. Sections III to IV also includes comments on the availability and quality of the data used for rate development.
- iii. The rate certification and attached report thoroughly describe any material adjustments, and the basis for the adjustments, that are made to the data. Please see Section III and IV of this report for more details.

3. Projected Benefit Costs

A. Rate Development Standards

- i. The final capitation rates shown in Exhibit I are based only upon services described in 42 CFR 438.3(c)(1)(ii) and 438.3(e).
- ii. Variations in assumptions used to develop the projected benefit costs for the covered population are not based on the rate of Federal financial participation associated with the covered population.
- iii. Each projected benefit cost trend assumption is reasonable and developed in accordance with generally accepted actuarial principles and practices using actual experience of the Medicaid population.
- iv. Please refer to Sections III and IV of this report for the details related to the treatment of in-lieu of services.
- v. See Step 3 of Section III of this report for details related to the treatment of IMD costs.

B. Appropriate Documentation

- i. The various Exhibits included in this report document the final projected benefit costs by relevant level of detail and is consistent with how the State makes payments to the plans.

Exhibit L

Response to 2019 to 2020 Managed Care Rate Development Guide

- ii. Please refer to Sections III to IV of this report for the methodology and assumptions used to project contract period benefit costs. Section I of the report highlights key methodological changes since the previous rate development.
- iii. The rate certification include a section on projected benefit cost trends in compliance with 42 CFR §438.7(b)(2). See Step 3 of Section III and Step 2 of Section IV for details related to the development of projected benefit cost trends.
- iv. This certification does not include additional services deemed by the state to be necessary to comply with the parity standards of the Mental Health Parity and Addiction Equity Act
- v. There are no services provided in lieu of State Plan covered services.
- vi. Since the rate development base data reflects actual program experience, no adjustment for retrospective eligibility periods is necessary.
- vii. Section I documents the impact on projected costs for all material changes to covered benefits or services since the last rate certification. Impacts for all such changes are included in Sections III and IV.
- viii. Sections III and IV of the rate certification includes an estimated impact of the change on the amount of projected benefit costs and a description of the data, assumptions, and methodologies used to develop the adjustment for each change related to covered benefits or services.

4. Special Contract Provisions Related to Payment

A. Incentive Arrangements

i. Rate Development Standards

The pay for performance, the member relocation incentive payment, and the assisted living quality incentive payment are described in Section VI of the report. These incentives will not exceed 5% of the certified rates, and we made no adjustment for the incentive payments in rate development.

ii. Appropriate Documentation

The rate certification includes a description of the incentive arrangement. See Section VI of the report.

B. Withhold Arrangements

i. Rate Development Standards

The pay for performance withhold is described in Section VI of the report.

ii. Appropriate Documentation

The rate certification includes a description of the withhold arrangement. See Section VI of the report.

C. Risk Sharing Mechanism

i. Rate Development Standards

The functional screen risk adjustment and High Cost Risk Pool mechanisms have been developed in accordance with generally accepted actuarial principles and practices and cost neutral to the state in total.

ii. Appropriate Documentation

The rate certification includes a description of the risk sharing mechanism. See Section IV of the report.

D. Delivery System and Provider Payment Initiatives

Exhibit L

Response to 2019 to 2020 Managed Care Rate Development Guide

i. Rate Development Standards

The CY 2020 capitation rate methodology includes a maximum fee schedule established by the state.

ii. Appropriate Documentation

Please see Section VI of the rate report for additional documentation of this arrangement.

E. Pass-Through Payments

i. Rate Development Standards

The CY 2020 capitation rate methodology does not include any pass-through payments.

ii. Appropriate Documentation

The CY 2020 capitation rate methodology does not include any pass-through payments.

5. Projected Non-Benefit Costs

A. Rate Development Standards

i. The development of the non-benefit component of the CY 2020 rates is compliant with 42 CFR §438.5(e) and include reasonable, appropriate, and attainable expenses related to MCO administration, taxes, licensing and regulatory fees, contribution to reserves, risk margin, and cost of capital.

ii. The non-benefit costs included in the CY 2020 capitation rates are developed as a per member per month for common categories of administrative expenses.

iii. Variations in assumptions used to develop the projected benefit costs for covered the population are not based on the rate of federal financial participation associated with the covered population.

iv. The Wisconsin Family Care Partnership program does cover services subject to the Health Insurer Fee. As such, a portion the revenue received by participating providers does accrue a Health Insurance Providers Fee (HIPF) liability in year for which the HIPF is applicable. The HIPF is paid through a rate adjustment once all necessary documentation is available.

B. Appropriate Documentation

i. Please refer to Section V of this report for a detailed description of the data and methodology used to develop of the projected non-benefit costs included in the capitation rates. The report includes a description of changes made since the last rate development.

ii. The projected non-benefit costs include appropriate consideration for administrative costs, taxes, licensing and regulatory fees, other assessments and fees, contribution to reserves, risk margin, and cost of capital.

iii. The Wisconsin Family Care Partnership program does cover services subject to the Health Insurer Fee. As such, a small portion the revenue received by participating providers does accrue a Health Insurance Providers Fee (HIPF) liability. The HIPF is paid through a rate adjustment once all necessary documentation is available.

6. Risk Adjustment and Acuity Adjustment

A. Rate Development Standards

i. The functional screen and risk adjustment detailed in Sections III and IV of the report are used for explaining costs of services covered under the contract for defined populations across MCOs.

Exhibit L

Response to 2019 to 2020 Managed Care Rate Development Guide

- ii. The risk adjustment models has been developed in accordance with generally accepted actuarial principles and practices and cost neutral to the state in total.
 - iii. Section IV of this report documents the use of acuity trends separate from benefit utilization and unit cost trends to consider the change in acuity for the Family Care Partnership population.
- B. Appropriate Documentation
- i. The functional screen and risk adjustment processes are detailed in Sections III and IV of the report.
 - ii. Section VI of the report documents the various retrospective risk adjustment mechanisms.
 - iii. The rate certification and supporting documentation do specifically include a description of any changes that are made to risk adjustment models since the last rating period and documentation that the risk adjustment model is budget neutral in accordance with 42 CFR §438.5(g).
 - iv. The rate certification includes a description of the acuity trend adjustment. This adjustment is developed according with generally accepted actuarial principles and practices.

II. MEDICAID MANAGED CARE RATES WITH LONG-TERM SERVICES AND SUPPORTS

1. Managed Long-Term Services and Supports

- A. The information included in Section I is applicable to both the acute and primary care and long-term care component of the capitation rates.
- B. Rate Development Standards
- i. The Wisconsin Family Care Partnership program's capitation rates are a blend of the various target groups eligible for the program and blend costs for individuals in all settings of care. Details behind the target group assignment is included in Section IV of this report.
- C. Appropriate Documentation
- i. Sections I to IV of this report address the following items:
 - a. the structure of the capitation rates and rate cells or rating categories
 - b. the structure of the rates and the rate cells, and the data, assumptions, and methodology used to develop the rates in light of the overall rate setting approach
 - c. any other payment structures, incentives, or disincentives used to pay the MCOs
 - d. the expected effect that managing LTSS has on the utilization and unit costs of services
 - e. any effect that the management of this care is expected to have within each care setting and any effect in managing the level of care that the beneficiary receives
 - ii. Please refer to Section V of this report for a detailed description of the data and methodology used to develop the projected non-benefit costs included in the capitation rates. The report includes a description of changes made since the last rate development.
 - iii. The Wisconsin Family Care Partnership capitation rates presented in this report are based entirely on historical MCO encounter data and financial experience.

III. NEW ADULT GROUP CAPITATION RATES

This certification does not include rates for the new adult group under 1902(a)(10)(A)(i)(VIII) of the Social Security Act.

APPENDIX A

State of Wisconsin Department of Health Services
CY 2020 Capitation Rate Development for Family Care Partnership / PACE Program

November 26, 2019

This report assumes that the reader is familiar with the State of Wisconsin's Medicaid program, its benefits, and rate setting principles. The report was prepared solely to provide assistance to DHS to set CY 2020 capitation rates for the Family Care Partnership / PACE program. It may not be appropriate for other purposes. Milliman does not intend to benefit, and assumes no duty or liability to, other parties who receive this work. This material should only be reviewed in its entirety.

APPENDIX B

State of Wisconsin Department of Health Services
CY 2020 Capitation Rate Development for Family Care Partnership / PACE Program

November 26, 2019

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Appendix B
Wisconsin Department of Health Services
CY 2020 Partnership / PACE Capitation Rate Development
Projected 2020 Family Care Partnership / PACE Expenditures

Enrollment Matrix by Base Rate Cell		Fiscal Results Matrix by Base Rate Cell				
MCO / GSR	2020 Projected Exposure Months	Average Total Capitation Rate	Federal Capitation Rate Liability	Federal Capitation Total Cost Liability	State Capitation Rate Liability	State Capitation Total Cost Liability
MCFCI / Care WI (GSR 3)	810	\$4,048.67	\$2,403.29	\$1,946,526	\$1,645.38	\$1,332,662
MCFCI / Care WI (GSR 5)	2,548	4,006.66	2,378.35	6,059,808	1,628.31	4,148,763
MCFCI / Care WI (GSR 6)	310	3,747.17	2,224.32	689,367	1,522.85	471,966
MCFCI / Care WI (GSR 12)	20,502	3,569.12	2,118.63	43,437,014	1,450.49	29,738,548
iCare (GSR 3)	66	4,277.56	2,539.16	167,868	1,738.40	114,929
iCare (GSR 8)	9,978	3,946.47	2,342.62	23,374,579	1,603.85	16,003,081
iCare (GSR 11)	763	3,897.26	2,313.41	1,764,821	1,583.85	1,208,260
iCare (GSR 12)	3,144	3,664.20	2,175.07	6,839,177	1,489.13	4,682,347
CCHP (GSR 6)	1,654	3,835.60	2,276.81	3,765,178	1,558.79	2,577,777
CCHP (GSR 8)	2,983	5,958.14	3,536.75	10,549,586	2,421.39	7,222,628
CCHP (GSR 10)	1,332	4,008.15	2,379.24	3,168,992	1,628.91	2,169,607
CCHP (GSR 11)	1,885	4,009.53	2,380.06	4,487,446	1,629.47	3,072,268
Grand Total	45,975	\$3,893.24	\$2,311.03	\$106,250,361	\$1,582.21	\$72,742,835

* Assuming FFY 2020 Federal Medical Assistance Percentage of 59.36%

APPENDIX C

State of Wisconsin Department of Health Services
CY 2020 Capitation Rate Development for Family Care Partnership / PACE Program

November 26, 2019

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Appendix C
Wisconsin Department of Health Services
CY 2020 Partnership / PACE Capitation Rate Development
Trend Development - Acute and Primary Services

Service Category	PMPM Costs, FCP / PACE Experience			2016 to 2017 Annual Trend	2017 to 2018 Annual Trend	Selected Trend
	CY 2016	CY 2017	CY 2018			
Inpatient Hospital	\$170.08	\$171.37	\$206.23	0.8%	20.3%	N/A
Outpatient Hospital	51.38	61.58	56.70	19.8%	-7.9%	N/A
Dental	31.09	27.53	18.26	-11.4%	-33.7%	N/A
Other Acute and Primary	107.60	119.29	117.01	10.9%	-1.9%	N/A
Total	\$360.16	\$379.76	\$398.20	5.4%	4.9%	5.0%

APPENDIX D

State of Wisconsin Department of Health Services
CY 2020 Capitation Rate Development for Family Care Partnership / PACE Program

November 26, 2019

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Appendix D
Wisconsin Department of Health Services
CY 2020 Partnership / PACE Capitation Rate Development
Trend Development - Long Term Care Services

MPPM Costs, Family Care Experience					
	CY 2016	CY 2017	CY 2018	2016 to 2018 Annual Trend	Selected Trend ¹
Developmentally Disabled	3,498.63	3,570.33	3,639.10	1.99%	2.00%
Physically Disabled	2,156.51	2,192.49	2,230.22	1.69%	1.49%
Frail Elderly	2,491.04	2,500.92	2,529.38	0.77%	0.70%
Acuity/Risk Scores					
	CY 2016	CY 2017	CY 2018		
Developmentally Disabled	0.9787	0.9992	1.0206	2.12%	2.00%
Physically Disabled	1.0056	0.9946	1.0000	-0.28%	-0.30%
Frail Elderly	0.9979	1.0007	1.0014	0.18%	0.20%
Risk Adjusted PMPM Costs					
	CY 2016	CY 2017	CY 2018		
Developmentally Disabled	3,574.71	3,573.30	3,565.64	-0.13%	0.00%
Physically Disabled	2,144.51	2,204.38	2,230.30	1.98%	1.80%
Frail Elderly	2,496.40	2,499.18	2,525.77	0.59%	0.50%

¹ The final selected trends are based on the results of a regression analysis using monthly PMPM service costs from 2016 to 2018.

APPENDIX E

State of Wisconsin Department of Health Services
CY 2020 Capitation Rate Development for Family Care Partnership / PACE Program

November 26, 2019

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Appendix E
Wisconsin Department of Health Services
CY 2020 Partnership / PACE Capitation Rate Development
Family Care Geographic Factor Analysis

	Actual Costs			Projected Costs			Annual Weighting Ratios			Preliminary Adjustment Factor
	2016	2017	2018	2016	2017	2018	2016	2017	2018	
GSR										
GSR 1 (Non-Expansion)	\$3,082.12	\$3,225.90	\$3,213.93	\$3,043.10	\$3,224.25	\$3,431.93	16.7%	33.3%	50.0%	0.9705
GSR 1 (Expansion)	N/A	N/A	N/A	N/A						
GSR 4 (Non-Expansion)	2,910.93	2,970.53	2,887.53	2,935.54	3,025.09	3,057.47	16.7%	33.3%	50.0%	0.9648
GSR 4 (Expansion)	N/A	N/A	N/A	N/A						
GSR 7	2,898.82	2,981.50	2,917.10	3,005.91	3,079.77	3,116.78	16.7%	33.3%	50.0%	0.9514
GSR 9	2,921.18	3,005.40	3,087.60	2,945.58	2,953.06	2,991.20	16.7%	33.3%	50.0%	1.0206
GSR 10	2,953.23	3,096.95	3,139.20	3,064.42	3,111.95	3,087.49	16.7%	33.3%	50.0%	1.0007
Super Region 1	\$2,951.91	\$3,049.15	\$3,036.96	\$2,989.44	\$3,071.67	\$3,132.80	16.7%	33.3%	50.0%	0.9802
GSR 2	\$2,640.01	\$2,736.32	\$2,775.77	\$2,922.12	\$2,958.09	\$3,064.81	16.7%	33.3%	50.0%	0.9118
GSR 3	2,814.78	2,905.38	2,833.47	2,798.26	2,895.74	3,011.77	16.7%	33.3%	50.0%	0.9725
GSR 5 (Non-Expansion)	3,252.70	3,197.37	3,317.23	3,353.02	3,265.56	3,258.90	16.7%	33.3%	50.0%	0.9970
GSR 5 (Expansion)	N/A	N/A	N/A	N/A						
Super Region 2	\$2,854.42	\$2,907.24	\$2,942.36	\$3,011.01	\$3,027.66	\$3,105.33	16.7%	33.3%	50.0%	0.9518
GSR 6	\$3,099.15	\$3,185.98	\$3,302.85	\$3,136.67	\$3,191.62	\$3,115.19	16.7%	33.3%	50.0%	1.0275
GSR 5-6	3,281.00	3,300.91	3,416.52	3,317.79	3,286.57	3,315.56	16.7%	33.3%	50.0%	1.0148
GSR 11	3,111.54	3,105.84	3,218.69	3,096.51	3,058.45	3,078.84	16.7%	33.3%	50.0%	1.0287
Super Region 3	\$3,173.16	\$3,203.28	\$3,317.14	\$3,192.99	\$3,183.48	\$3,178.68	16.7%	33.3%	50.0%	1.0228
Super Region 4: GSR 8	\$2,821.10	\$2,817.92	\$2,886.64	\$2,778.84	\$2,805.54	\$2,866.09	16.7%	33.3%	50.0%	1.0076
Super Region 5: GSR 12	N/A	N/A	N/A	N/A						
Super Region 6: GSR 13	\$3,375.68	\$3,328.91	\$3,362.15	\$3,039.30	\$3,072.66	\$3,150.06	16.7%	33.3%	50.0%	1.0799
Super Region 7: GSR 14	\$4,315.40	\$3,896.57	\$3,525.15	\$2,939.80	\$3,213.40	\$3,373.57	16.7%	33.3%	50.0%	1.1713

APPENDIX F

State of Wisconsin Department of Health Services
CY 2020 Capitation Rate Development for Family Care Partnership / PACE Program

November 26, 2019

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Appendix F
Wisconsin Department of Health Services
CY 2020 Partnership / PACE Capitation Rate Development
2016 to 2018 Family Care Actual to Expected Average

MCO / GSR	Actual to Expected Ratio
Inclusa / GSR 5/6	-21.77%
Care WI / GSR 1 - Non-Expansion Counties	-12.13%
Care WI / GSR 3	-12.12%
Inclusa / GSR 2	-7.63%
MCFCI / GSR 11	-7.42%
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Care WI / GSR 2	-6.77%
CCI / GSR 9	-5.95%
Inclusa / GSR 1 - Non-Expansion Counties	-3.36%
CCI / GSR 10	-3.24%
CCI / GSR 5/6	-2.78%
Inclusa / GSR 7	-2.04%
MCFCI / GSR 8	-1.91%
Inclusa / GSR 4 - Non-Expansion Counties	-1.12%
Care WI / GSR 5 - Non-Expansion Counties	-0.77%
LCI / GSR 9	-0.36%
MCFCI / GSR 5/6	-0.11%
CCI / GSR 11	0.32%
CCI / GSR 6	0.68%
Inclusa / GSR 3	1.62%
Care WI / GSR 5/6	4.14%
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Inclusa / GSR 5 - Non-Expansion Counties	7.16%
CCI / GSR 8	7.78%
LCI / GSR 10	8.81%
MCFCI / GSR 6	10.65%
Care WI / GSR 6	12.11%

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